App. F. IX-4

1926.7

File No. [redacted]-21

(G.S.)

Serial No. [redacted]-41

Previous References

G re 453-24 (1-2)
FA-21-25 (1-2)
J.S. 21-25 (3-41)

Later References

G.S 16-26 (1-7)
T.S 16-26 (15-18)

General and Revenue Secretariat.

Serial Fourteen

Part B for March 27

SUBJECT

Prospectus of the All India Corporative and Charitable Association Ltd. issued by Mr. M. L. Nagappa of Mysore

---

WD 01264—GPB—40,000—17-12-2

Serial No.

662
1724

From Mr. Mr. Nagarna Petition &
States that he intends to
weekly newspaper by the name
at Mysore and requesting sanc
starting and publishing the same.

5) Draft. sent. The language in which the weekly
MW 20/4/76 is to be published has not been
stated.

11) The applicant may be
asked to furnish the information
at A.

26/4

7)
Draft. sent.
MW 20/4/76

8)

To. Mr. M. L. Nagannah Esq. No. 2890 of 3/5/76
Enquiries in which language he proposes
to conduct the weekly.

From Mr. M. L. Nagarna Letter of 5/5/76.
States that he intends conducting
weekly in Canarese for the time being.

9) The draft already put up is now sent.
for approval. 10)
MW 6/5/76.

To. The Dist. Magistrate Mysore. No. 2933 of 195/76.
Calls for a Confidential report of Mr. M. L.
Nagarna.

WD 01264—GPB—40,000—17-12

General and Revenue Secretariat

File No. 1857 of 192

Serial No.

To the D.G. of Police. No. 2934 Dt. 10/5/26

Forwards Copy to the D.G.P.

From the D.G.P. No. C. 2472 Dt. 4/6/26

States that he is of opinion that it is desirable to grant the permission asked for & forwards the original letter of Dist. Magistrate Tinnevelly giving his opinion

11) The Adv. Commn is in favour of granting the permission but the D.G.P. is not.

Submitted for orders. Permission may be given

MM 11/6

MM 11/6

Chadwick.

12) I am inclined to agree with the D.P.I. The original complaint appears to be a most sensible one which there was much complaint

14/6/26

(St Lawrence Dawson 13) I am inclined to agree with the Chief Secy. The new Editor of the Madras Times also does not take a sensible view of the matter, but as he professes to point a religio-social paper — (vide Bottomley & John Bull), & will be rather stretching the law to prohibit it. It may perhaps be considered in Council, if Dawson approves.

DE 15/6/26

10/8/26 15/6

14) 4/7/26

-Contd Sheet

(For Disposal at a Meeting)

No. C. 569
of 1925-6

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(vi of the schedule)

Application of Mr. M.L. Naganna for permission to start a newspaper-called "Veerashiva" at Mysore.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

Chief Secretary to Government.

16th June 1926.

Extraordinary Member of Council.

First Member of Council.

Second Member of Council.

Third Member of Co

589

3

Extract from the Proceedings of the 776th *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 8th July 1926 *19* .

3. **Subject. - Clause xvi of the schedule.**

Application of Mr. M. L. Naganna, for permission to start a newspaper called "Veerashaiva" at Mysore.

OPINION OF THE COUNCIL.

15) **The permission may be refused.**

(Signed) Mirza M. Ismail,

Dewan of Mysore.

Dy DSN

A

Dwr 9/7/26

17) 10.7.26

Submitted to His Highness.

18) Mr. M.L.Naganna, Old Agrahar, Mysore applied for permission to start a weekly newspaper by the name "Veera Shaiva" for the moral and spiritual benefit of the Veera Shaiva community in particular and others in general. The opinions of the District Magistrate, Mysore, and the Inspector General of Police in Mysor were obtained on the application of Mr.Naganna. The District Magistrate is of opinion that the permission may be granted to Mr.Naganna to start the paper. The Inspector General of Police however, says that Mr.Naganna was a Managing Director of what was known as the "Mysore Government Security Life and Marriage Assurance Company Ltd." and during the time of his Managing Directorship numerous complaints of cheating were received and as a result of the investigation Mr.Naganna and three other Directors were prosecuted under Sec.282 of the Mysore Companies Regulation and the case ended in conviction in the Court of the City Magistrate, Mysore. The conviction was quashed in the Chief Court on a point of law relating to the non-application of section 342, Criminal Procedure Code. Considering Mr.Naganna conduct as the Managing Director of the Company, the Inspector General is of opinion that it is not desirable to grant permission to start the paper.

19) He has stated before the Deputy Commissioner that he propo to start an All India Cooperative and Charitable Association Lt and presented a copy of the memorandum of Association. A perus of the Memorandum shows that the new concern he proposes to flo may give him scope to deceive the public as in the case of his last enterprise and apparently he intends to use this paper more as an advertisement of his financial ventures though garbed under philanthropy

20) The matter was considered in Council at the meeting held on the 8th July 1926 when it was resolved that the permission

informed in regard to Mr.Naganna's new venture and requested to watch the undertaking so that the public may not be deluded.

Mirza M. Ismail

Bangalore,)
12th July 1926.)

Record of Cases submitted for the Order of His Highness the Maharaja.

Subject.

Application of Mr. M.L.Naganna, Mysore, for permission to start a weekly Newspaper called " Veera Shaiva ".

22) *Order.*

~~KRW~~
13/7/26

23)
C. Secy
Sm
14.7.26

eral and Revenue'
Secretariat'

SUBJECT

Application of Rev. Nick. Nayanna, Nyapa, for permission to start a weekly newspaper called "Veera Shaiva".

(*)

31. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circlated to the Members of Council at headquaters and then sent to the Secretariat coneerned for the issue of orders.

24) Circulated to Members of Council for perusal of His Highness' orders before /after issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

By Order,

Chief Secretary to Government.

Through the Secretary to Government,

.....Department.

523/15/7

25) FIRST MEMBER OF COUNCIL. 15/7

263/14.7

26) SECOND MEMBER OF COUNCIL.

~~EXTRA MEMBER OF COUNCIL.~~

27) Two drafts sent to 17.7.26 28) Draft sent

Clerk

29)

C.D. File No. 177

Reo. 204-6 dated 19.7.1926, from the Registrar, Mr. K. Nagamma

'Refuses permission to conduct the proposed newspaper by the name 'Veerashiva'

Reo. 207/C.8. dated 19.7.'26 from the Regr. J.S. Cos

Requests him to watch the working of the new undertaking by name "All India Co-operative and Charitable Associates, Ltd" proposed to be started by Mr. K. Nagamma

Reo. 454 dated 20.7.'26, from the Regr. J.

Furnishes particulars about the new Concern started by Mr. K. Nagamma under the name "All India Mutual aid and Poor Houses Associates" and states that the Company will be watched in order to see it complies with the provisions of the Companies Regn

30) Refd with reference to the last para of the Deputy Secretary's note dated 12th Sept 1926. The Regr. J.S. can see that the Company complies with provisions of the Companies Regulation. It is a difficult matter for him to see that the public are not defrauded.

SL 30/7

31) The Registrar seems to be taking all possible precautions. Submitted for perusal

Mr

32) After perusal by D Secy I shall be glad if Secy will consider whether add powers can be given to Regr so as to enable to prevent the fraudulent practices of the fortuitous Co

Ch Secy 26/VII

(Sd) Lee 3/8

Dy Secy

33) JM 3.8.26

34) Secy L.A.D. Dy

Serial No.

35) In another connection I expressed the view that the scheme proposed in the prospectus of th Company under reference is in the nature of a lottery and the District Magistrate, Mysore has also been confidentially asked to investigate and take necessary action.

36) As regards the question of the grant of additional powers to the Registrar with a view to enable him to prevent to a greater extent the public being cheated, I find that such power have not been granted anywhere. Our Companies Regulation is based on the Indian Companies' Act in which no such provision is to be found. The prevention of ~~the people being cuped must con-~~ crime may be left to the Police/ ~~tinue to be exfunax the function of the executi-~~ to Courts ~~by resort to the Municipal Courts of the land.~~ Any company offending against the laws of the land and violating the penal law of the country should be brought before the criminal courts at the earliest stages so that necessary action according to law may be taken against ~~him~~ them to prevent mischief to the community. It seems to me therefore neither desirable nor necessary that the Registrar should be granted the additional powers suggested.

Chief Sec't
with Compts.

3388/24/9

37) Similar reports are made in Bombay where fraudulent Companies are more common. We may avail ourselves of any action taken in Bombay

Serial No

38) I think it behoves Govt to do all that is possible to prevent the pennies of widows & orphans from going into the pockets of Bottomleys. Our Criminal Law is defective in that it functions only after the mischief is done. We are awaiting action in Govt. of India as suggested by Chief Secy.

24/9

Sir 9/9

24/9

From the Registrar of Joint stock Companies
No. 867 d. 8th Nov. 1926.

Forwards for perusal of Govt. a copy of the Prospectus received from the Company for being filed under Sec. 92 of the Indian Companies Regn., and says that as the firm have embodied certain corrections suggested by him, he sees no objection to the filing of the copies as they now stand.

39) This has been specially sent for perusal of Govt. in view of the special circumstances connected with the case. The prospectus will be returned after perusal

4874
11.11

Subject expd 11/11/26

Under 40) Mysore Subject to Govt

Secretary 12/11

OFFICE OF THE SECOND MEMBER OF COUNCIL
13 NOV. 1926

Contd. Sheet

WD 01229—GPD—37,500—1-9-26
App. F. III—2j

29

177 98 of 1925

41) Please See D.O to Regr. Which came today. Your draft Memo may be Kept in file.

To the Registrar of Joint Stock companies.
No 1690 d. 19.11.26.
Points out certain defects in Prospectus which require investigation & requests him to meet the Second Memo as early as conveniently possible.

---

42) Discussed with the Registrary today (7-12-26). The L. & L. Secretary was also present.

43) Whether the transaction relating to dra-ing is of the nature of lottery was the first point considered. The Registrar stated that there was no unqualified judicial verdict decla ing all drawings as illegal. The L.& L.Secretary was of the opinion that the drawing for which provision is made in the present case is a form of lottery. The Articles of Association and the Memorandum have been registered and the Certificate of Incorporation also issued, and it is not possible now to cancel the registration or the certification on the ground of the illegal character of the transaction, even if it is held to be such. If any action for decla ing the condition relating to drawing as one

Serial No.

of lottery should be taken, it can only be by placing the case before a Court of Law and this can be done only by share-holders.

44) In some clauses of the Articles and the Prospectus, Government is brought in in connection with (1) investment of the funds of the Company, (2) holding in safe custody of the securities of the Company, (3) appointment of a Director on the Board of Directors of the Company, and (4) appointment of an Auditor to safeguard the interests of bond-holders. It is highly inadvisable for Government to have any manner of association with this Concern. We cannot agree either to receive the funds of the Company for permanent investment, or to hold its securities, or to permit any Government officer to work as a Director or an Auditor of the Company. These conditions in the Articles and the Prospectus are certain to mislead the public into thinking that the Concern enjoys some kind of effective Government supervision and consequently to induce them to invest their money in the Concern either in its shares or bonds.

45) It is necessary to disabuse the public mind of this misapprehension and the only way of doing it is to categorically deny the statements on which the Concern relies for inducing the public to join it as share-holders or bond-holders. In this view, the Registrar and the L.& L.Secretary agree. I have accordingly asked the Regis-

tra-

3588

WD 01229—GPB—37,500—1-9-26

ıral and Revenue Secretariat | J.S. ~~G.B.~~ File No. 902 985 ~~177~~ 16 of 192 6

Serial No.

Registrar to send to Government a complete statement of the clauses in the Articles of Association the Memorandum and the Prospectus in which Government is mentioned as likely to perform an work relating to the Company or undertake any responsibility for the working of the Concern.

This ~~may~~ Statt may be awaited.

8/12/26

13.12.26

13/12

GEN. & REV. SECRETARIAT 15 DEC. 1926 DEVELOPMENT BRANCH

Development Sec'tt

2 Do letter No. 931/E.1 & 11.12.26 (recd. in the Branch on 14.12.26) from the Registrar of Jt. Stock Companies enclosing Copy of letter recd. from Mr. M.L. Nagarwal expressing an inclination to give up the Venture.

46) Subd. for perusal & orders. The Registrar says that the Statement refd. to in the Member's minute above will be Submitted Shortly. This may be awaited.

47) Sub^d for perusal

15/12 (Sec'y D.)

15/12

15/12

48) Yes

GPS 16.12.26

Sec A

GEN. & REV. SECRETARIAT 16 DEC. 1926 DEVELOPMENT BRANCH

3 Do letter No. 984/E.5 & 22nd/23rd Dec. 1926 from the Registrar of Joint Stock Companies Submitting the papers and documents Connected with the All-India Mutual Aid and Poor Houses Association, Ltd. and with certain remarks.

49) Subd. with refces. The Statement Showing the Seve

(4) Do letter No. 983 & 22.12.26 from the Registrar of J.S. Co. enclosing for the information of Govt. a Copy of letter recd. from Mr. M. Agarwal regarding [illegible]

Note—Contn. Sheet

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provisions in the Memorandum & Articles of the All-India Mutual Aid & Poor Houses Association, Ltd and the Prospectus in which the Association or Committee of Govt. is Set out, [Ordered by the Member to be awaited (para 45 above), has been rec'd. and is flagged C. The Registrar does not see any illegality in the provisions (para 5 of the letter).

(6) The Registrar says that all reasonable care has been taken by him to see that there were no illegal provisions in the Memorandum & Articles of the Association; [& thinks that Mr. Nagamma's Scheme did not amount to a lottery; that the [Mysore Companies Regulation does not expect him to protect the interests of the Shareholders; & that he cannot mould the Memorandum & Articles of an Association etc according to his opinion as to what should or should not be Contained in them.

(7) The Registrar Suggests that in view of the assurances made by Mr. Nagamma (viz. to Correct anything which is morally objectionable or to close the Venture), the Directors of the Company may be advised, if necessary, to drop or modify the Scheme.

(8) As Mr. Nagamma, the Chief Organiser of the Association has [Since reported that the Association has duly Complied with all the requirement of law, & Registrar thinks that there seems to be no objection to his filing the Prospectus of the Association and granting the Regd. Certificate of Commencement of

General and Revenue Secretariat

J. S. File No. of 192 6

Seri No.

re Bond Prospectus actually Comes up to be filed
16/5/27 JB
In the circular stated, the Business Commencement Certificate may have to be granted. Ld Sec may perhaps be consulted
Secy DJ

54 References to Government in the Memorandum and Articles of Association, statement C, are obviously made with a view to delude the unsuspecting public to subscribe for the share capital of the company. There is no meaning in the reference made in para 6, page 4, that Government lasts as long as the world endures, unless it be to make the unsuspecting prospective share-holders believe that the perpetuity of Government will in some way ensure the everlasting existance of this company whi is intimately connected with them.

55 Mr. Naganna is an astute man and before a Business Commencement Certificate is issued to hir I think an undertaking should be obtained to make the references to Government in the Articles of Association more complete. In para 49 of the Articles, it is stated that "after certain number of shares have been paid up, the Directors shall apply to the Government of Mysore for the appointment of a Bond-holders representative and that they shall also apply to the Government of Mysore for the appointment of an Auditor". The Articles, as worded, are incomplete. They obviously lead to the inference that a Bond-holders' represent

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App. F. III—2]

General and Revenue Secretariat

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Serial No.

and a Government Auditor will be appointed, as soon as the Directors apply. It seems to me that Mr. Naganna may be required to state in each of these two Articles that he has no authority from Government to announce that either a Bond-holders representative or an Auditor would be appointed by Government in response to any request which may be made by the Directors. He may also be required to state that Government take no responsibility for the working of the concern.

Mr. Naganna may perhaps be informed privately that Government do not approve of the company he proposes to start and cannot therefore favourably consider any application that may be made by the Directors for the appointment of either a Bondholders' representative or an Auditor.

Second Member)

8.1.27

Dev Sec? Consult Secy. before we have lost agreed that the Comm suggested it may be adopted.

Further the action proposed in the memo may also be taken at once.

10/1

REPLY

(To be written on this margin.)

OFFICE OF THE SECOND MEMBER OF COUNCIL. 8 JAN. 1927 No. M. 7.

IMMEDIATE

D 4122

OFFICE OF THE SECOND MEMBER OF COUNCIL.

NOTE

Dated 8th January 192 7

The material for the issue of a communique for cautioning the public against the misapprehension in regard to the association of Government with the Co called the "All India Mutual Aid & P Houses Association, Ltd., Mysore", was ceived ~~by us~~ some days back. Let us prompt action to tell the public that of the provisions included in the prospectus in which Government are stated likely to take some responsibility fo safety of the Concern, are impossible execution as Government are not prepa to undertake such responsibility.

Dew: ~~I. S. I.~~ Secretary
with compliments.

8.1.27

GEN. & REV. DEPARTMENT 10 JAN 1927 DEVELOPMENT BRANCH

File submitted to Hon'ble Secy

2nd member
to Hon'ble Secy

2nd member

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60 I do not think there is any use in writing to Mr. Naganna on the lines suggested. He cannot be expected to agree to insert in the Prospectus statements which will practically nullify his whole scheme. Besides, he is a man who will assert his rights under the law and if we cannot compel him to do a thing under the law, he will not do it and any correspondence with him will only result in our having to give in finally.

61 The points involved in this are legal in their nature. If the L. & L. Secretary thinks that the Registrar cannot call upon Mr. Naganna under the Company Law to revise the Prospectus as suggested by the Secretary, Development Departments, this course of action cannot be thought of. The L. & L. Secretary may again be consulted on this point in view of the agreement expressed by him in his note dated 10th January 1927 with the views of the Secretary, Development Departments.

62 The Registrar of Companies has expressed his opinion, supported by authorities quoted by him, that the Memorandum and Prospectus, as they stand, are legal and that there is nothing to prevent him from issuing the certificate required by Mr. Naganna. If legally there is no means of getting the Prospectus revised for removing the serious misapprehensions deliberately sought to be ~~xxxxx~~ created in the mind of the investing

public

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App. F. III—2j

there is no help but to issue the certificate and this may be authorised.

63 At the same time, I think it is quite necessary to remove, as far as we can, from the public mind the apparent sense of safety which the association of Government with the Concern, alluded to in the Prospectus, is intended by the promoters of the Company to create. This we can only do by issuing a notice enumerating all the provisions in the Prospectus in which Government are brought in as likely to undertake certain functions to ensure the sound working of the Concern and stating categorically that Government do not propose to comply with any of the conditions relating to the investment or custody of the funds of the Concern, or the appointment of an auditor or a representative of bond-holders for safeguarding the interests of ~~the~~ share-holders and bond-holders. This notice ~~should~~ may be given the widest publicity in and outside the State.

64 The Registrar considers that another prospectus relating to bonds will be issued by the Company. I do not see why another prospectus is necessary as the one already issued provides for the issue of bonds. The Company has already begun to advertise for business in the Press and it is, therefore, necessary to take prompt action.

Serial No.

65

The case requires to be submitted to the First Member with reference to his minute dated 24th September 1926 and also to the Dewan.

66

Though the Registrar may not legally have power to insist on Mr Nagenna the Correction of the Prospectus in the manner agreeable to Govt yet the omission to mention the fact that the Govt are not willing to accede to the request for the appointment of Govt trustees & auditors & for holding the fund as permanent investment, will give a cause of action for the Shareholders to rescind the

67

After anxious consideration of the matter I have come to the conclusion though not without hesitation that it would be safe in the interest of Govt as well as in the interest of poor ignorant would be Shareholders of this banking Concern to convey clearly the views of Govt & their inability to render any assistance as is that is contemplated by the promoters of the Co as shewn in the Prospectus.

Serial No.

last action against the directors for misrepresentation.

69 The law is that whenever a whole truth is not divulged in a Prospectus a portion of the truth, accompanied by suggestions & inferences will amount to a false statement & the suppression of a fact will often amount to a misrepresentation. [See Sec 93 & commentary on it in Rustomji on Co Law p. 126 & the cases cited under notes 15 & 16]

70 Hence I am of opinion that the attitude of the Govt should be clearly conveyed to him so that he may take such steps as he deems fit to correct the Prospectus if that ~~if he fails to do so the Govt may publish this~~ take prompt action to tell the publishers views as proposed by the learned member in his memo dated 8th Jan'y 1927.

2nd member
Thro Dev Sec'y.

8-1-27
19-1
9.1
Asst
W.1.27.

71 It is quite necessary to warn the public against the risks that they would be running in subscribing to this Concern either as share-holders or bond-holders. This warning can be

Serial No.

promoters of the Concern are agreeable, they may be asked to insert under the respective provisions in their Articles and Memorandum of Association and the Prospectus that the Mysore Government have not agreed to undertake the responsibilities which they are represented as assuming; (2) if the promoters of the Company are not agreeable to adopt this course, it will be necessary for Government to issue an independent notice to the public.

As the Memorandum of Association stands, there is one clause which cannot be accepted as it stands. It is clause 94 and it provides that the Government Securities purchased by the Association "shall be held for safe custody by the Official Trustee or Trustees appointed for the purpose by the Mysore Government". In the first place, there is no Official Trustee in Mysore and the securities of the Concern cannot, therefore be held by any such functionary here. Besides, ~~as the clause now stands, it makes it obligatory on the Mysore Government, by~~ the use of the word "shall" implies that the request of the Company for holding its securities is made under some existing law and that it must therefore be complied with by Court. There is no such law under which the Mysore Government are bound to undertake this responsibility. The clause is, therefore,

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not a statement of facts and it is very misleading. It cannot, therefore, be permitted to stand as it is, without a suitable modification. What the modification should be may be left to the promoters of the Concern itself. This point has to be brought to their notice and until this clause in the Memorandum is altered, the certificate authorising commencement of business cannot be issued.

7) There are the following responsibilities sought to be cast upon the Mysore Government to lull the public into thinking that the working of the Concern is sound as it receives the benefit of the supervision of Government:-

Document.	Reference.	Remarks.
Prospectus.	Para 4 (page 2).	The perpetual investment of the funds of the Concern with the Mysore Government is contemplated here. There is no provision for such investment made by the Mysore Government.
	Para 5 (page 5).	This refers to holding of the securities of the Concern by the Official Trustee. There is no such functionary appointed by the Mysore Government.

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General and Revenue Secretariat | G. S. File No. 16 of 1926

Serial No.	Document.	Reference.	Remarks.
	Memorandum of Association.	3 (d)	This refers to perpetual investment. Vide remarks against Para 4 (page 2) of the Prospectus.
	Articles of Association.	Para 49.	Here it is stated that the Company shall apply to the Mysore Government for appointment of a bond-holders' representative. If the Company ~~does apply for it~~ matter this regard, we ought not to comply with ~~this request~~ it and we may inform them ~~promptly~~ straightaway that we shall not undertake this respondibility.
	-do-	Para 71.	Here again, it is provided that the Company shall apply to the Mysore Government for the appointment of an auditor. We should ~~never~~ not undertake the responsibility of appointing an auditor. We may therefore inform the Company now alone that we shall never grant this request
	-do-	Para 93.	Here again, reference is made to the perpetual investment of some funds of the Concern with the Mysore Government. As already observed, we have no provision for accepting ~~such~~

Serial No.	Document.	Reference.	Remarks.
	Articles of Association.	Para 94.	~~such~~ permanent investments except for charitable purposes. This refers to the holding of the securities of the Company by an Official Trustee. Vide remarks against para 4 (page 2) of the Prospectus.

74 As regards the points which are reproduced above and which are bound to mislead the public, the above views may be communicated to the promoters of the Company, and they may be requested to mention them in the respective documents. We may add that if they decline to do so, we shall ourselves inform the public that we do not propose to undertake the responsibilities sought to be cast upon us and that the promoters of the Company declined to mention these facts in the Memorandum and Articles of Association and the Prospectus even though they were requested to do so.

75 As regards the certificate for commencement of business, the Registrar may inform the promoters that it will be issued after they amend para 94 of the ~~Articles~~ Memorandum of Association ~~which cannot stand as it now does~~, even if they decline to make the ~~other~~ additions suggested.

Recd 24

(Mrce 22-1-27) (Grn 24-1-27)

D E W A N
thro'
First Member

WB 24/1

WD 01229—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat

J-5 File No. 16 of 1926.

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76 As I have noted from the beginning this is a pure swindle; & there is not much use negociating with the Swindlers. It is a pity that Govt are not vested with the Sufficient powers to stop such Swindles. There are auditors in Jaffna, the Dairy Coy & there was one is auditor of Vavuniya. Who are all deluding the public.

If Ld. Secy agrees I would refuse to give ~~permission~~ Certificate ~~to~~ Commencing ~~Start~~ business; & get them to prosecute in Court, when the Swindle might be exposed. This might perhaps scotch this.

Dewan) 77

78 I agree.

H.S. may be asked if there is a Punnil by name Sirasi Yarushanthi Sastry, who Calls himself Palaa Asthana Punnilai, on the Ch. Thottam Baravadi. If there is really such a man, we might be able to get him to sever his connection with this Coy.

79 Is it not possible for Govt to publish a Statement in reply to their requests made or proposed the month of their [illegible]

Serial No

acceptions & accede thereto. Hence WB has no effective way of opposing the Coy.

25.1.27

Submitted for perusal of Dewan's order

2nd member)

25.1.27

81

26.1.27

82 draft advance

27.1.27

29/1

Three drafts Subs. for orders.

28.1.27

84 Three ofts subd for appl

Secy D)

29/1

85 Please put up typed ofts as revised

31.1.27

86

Typed drafts as revised Subs.

31/1

31.1.27

87 Typed ofts (3) for appl. L.L. Secy, also scrutinise the ofts before insg

Secy D)

31/1/2

2d Member through L.L. Secy

31/1/27

31/1

Serial No

88 Under Sec 22 of the Regulation the Registrar has to re
the memorandum of the articles of association.

89 The functions of the Registrar is are to a certain
extent quasi-judicial in as should not register
a Company if it is not formed for a lawful pur
or its objects are illegal or its name is 'calculat
to deceive'. This is the combined effect of Sectio
5 & 11 read with Sec 22. This is also the view
held by the House of Lords in (1917) App. Cas 40
& in (1912) 3 K.B. 23; (1914) 3 K.B. 1151 at page
[See Rustomji on Company Law p. 32. Ed 1926].

90 Hence the Registrar would have been well advi
if he had refused registration.

91 This stage is now passed & the Registrar ha
Registered the memorandum & articles of asso
& is now estopped practically from denying th
the objects of the Co are illegal.

92 Under Sec 103 (2) the Registrar is bound by
to certify that the Company is entitled to
Commence business if the conditions mentio
in Sec 103 (1) are satisfied. In this case
the Registrar reports that these conditions are
fulfilled.

93 Hence it appears to me that the Registrar
will be doing an illegal act if he refuses
to grant the certificate at this stage.
There will be a clear cause of action for
the Company to bring a suit for compelling
the Registrar to perform a duty laid on him by the
Act.

WD 01225—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat

J.S. File No 16 of 192 6

Serial No.

94 The Resident will not have any defence on the ground that the Court will not be in a position to enquire into the objects of the Company as the suit framed will be purely one of violation of Statutory duty by an officer entrusted with the carrying out the main provision of a Regulation.

95 If the Law provided for the cancellation of the registration itself would be the best course for the Resident to follow.

96 Unfortunately there is no provision in the Company's Regulation to enable the Resident to revoke his order either suo moto or at the instance of any party.

97 For this reason the Govt cannot ask him to follow this course nor can it ask him to refuse the grant of a certificate at this stage.

98 Having regard to all these aspects of the case the course suggested by 2nd member after consulting me & the Resident, seems in my humble opinion to be best.

99 All the drafts except draft No 2 perhaps be approved.

Submitted with compliments.

S. 1/2

WD 01229—GPB—37,500—1-9-26

ral and Revenue Secretariat

J S File No. 16 of 1926.

Serial No.

100) The papers were subd to the Secretary for instructions. He was pleased to direct that the Registrar might issue a certificate of commencement, since it could not legally be withheld, but that the Communiqué and the letter to the Hindu Press might be issued

101) Subd to 3rd Member with revised Draft (9)

3rd member)

5-9 / 3-2-27.

2 2 27

4/2

3/2/27

4/2/27

4/2

P.T.O.

No. J. 6294 dt. 5. 2. 27 to Hindu copy to H.H. Enquires whether any gentleman by name Sivasi Iyerunantha Sastri, Palace Pattan Vidwan is on the Thamandi Thatti Banaward as alleged by Mr. M. L. Nagappa

No. J. 6295 dt. 5. 2. 27 to the Registrar of J.S. Companies, Stating that the certificate of commencement of business may be granted to the All India Mutual Fire & Loan Assurance Co. Ltd

WD 01229—GPB—37,500—1-9-26
App. F. III—2]

eral and Revenue Secretariat

J -S. File No 16 of 1926.

Serial No.

103 The 2d member directed that there might be a sentence inserted in para 3 to the effect that this communique might was issued on the failure of the promoters to make an unequivocal statement to this effect they were requested to do so. This was omitted, because the promoters have not been requested to make such a statement since the 1st Member opined that there was not much use in negotiating with swindlers (para 76) & that has been agreed by Dewan

2d Member

1/2/4 Secy Thanks much 4.2.27 4/2/27

WD 01225—GPB—37,500—1-9-26

App. F. III—2]

eneral and Revenue Secretariat

J. S. File No 16 of 1926. 32

Serial No	
	Aid and Poor Houses Association &c
9	Press Communique dt 5.2.27 warns the public against certain statements made in the Memorandum of the All Mutual Aid and Poor Houses Assn to the effect that Govt have undertaken to protect the interests of the share holders and bond holders of the Association declares that they are not prepared to in any way to safeguard the interests of the public in the above mentioned Association. Resubmitted. Rpt Para 103. VB 7.2.27 Ch S.M.

wanted the Ch. to see 5/2 to account as MN

Serial No.	
10.	Letter no. 1076 dated 5th February from the Registrar of Joint Stock C. requesting the return of the Prospectus and the Memorandum of Association sent with his letter of 8.11.26 and so as to enable him to register the Pre and examine the Combined Share and Bond Prospectus. 107 Submitted with a draft returning the papers required by the Registrar. KB. 8.2.27.
	8 2 27 108 Issue 8/2/27
11	Letter no. D.6373 of 8th February 192 Registrar of J.S. companies returning Prospectus & Memorandum of Association and requesting acknowledgment —
12	Letter no. 2032 dated 11th February 1927 Mr. M. L. Nagarwala forwards copy of a letter to the Editor, Evening Mail, enclosing copy of his Reminder to the Press Commu dated 5th February 1927. 109 Submitted for perusal and orders. (Re Press Communique of 5th February 1927). Prospectus and Articles of Association have returned to the Registrar. Vide 88. 1071. 108-17.2.27

GEN. & REV. SECRETARIAT
8 FEB. 1927
DEVELOPMENT BRANCH.

eneral and Revenue Secretariat | File No. | of 192 ; 34

Serial No.

110 In the last para of the 'rejoinder' Mr Naja expresses a hope that in the light of explanation arguments stated by him, the Govt will reconsider the Order. No action seems necessary on this.

Sec'y D) 17/2

111 Contains nothing worth notice He only says, in many words, that if the Mysore Govt will not countenance him, he hopes to be more successful elsewhere. The high moral tone of the concluding paragraph has a certain singularity of effect coming from the ex-Managing Director of the late Mysore Govt Banking Life & Marriage Assurance Co

2d Member) notice of the rejoinder 18 2 2

112 Since we have already warned the public to take no notice of the rejoinder we be only to suffer ourselves to be drawn into an controversy

2d Member) 18 2 27

113 I agree. 18/2

114 Calls for no notice. May be filed. 20/2/27

21/2

Letter no. 1091 S1b4 7th Feb. 1927 from Manager of G.S. Co. acknowledging receipt of papers sent vide Sl. 11

FILED IN THE GENERAL COUNCIL
3 FEB. 1927
No. 5634

Sub Sec. 8.3.27
Sec. 5.3.27
SECRETARIAT
11 FEB.
DEVELOPMENT

G. R. S. III—3]

ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record]

This file may perhaps be transferred to the Development Secrett. for further action.

The question originated in connection with the starting of a newspaper (which was refused) and incidentally the Registrar of Joint Stock Companies was asked to watch the new undertaking. The question now for ... relates to the Development Secrett.

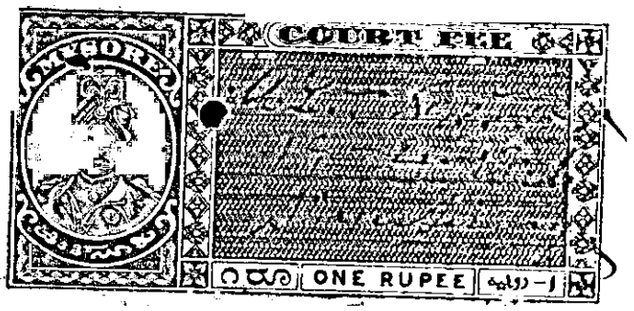
Salmond
Cgh 10/12/26

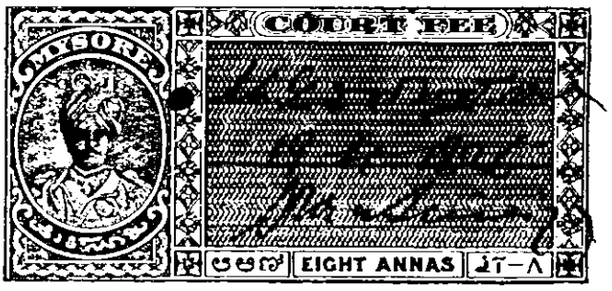
Development
Secrett
11/12/26

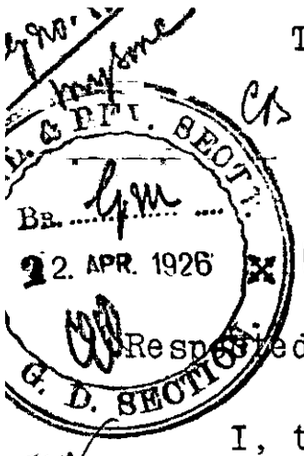
CRs
13.1

N. B.- Should routine notes be written on small slips, the notes must de copied, or slips pasted on this form.

WD 1860—GPE—1,50 000—2/5-21







The Chief Secretary
to the Government of His Highness
—the Maharaja of Mysore.—
BANGALORE

Respected Sir,

I, the undersigned, am the founder of the Asiatic Government Security Life Assurance Co Ltd., Mysore, and have retired myself as the Managing Director since one year on a pension of Rs 100 per month with the object of doing some service to the public

I now, therefore, intend to start a Weekly Newspaper by the name of 'Veerashiva' for the moral and spiritual uplift of the Veerashiva Community in particular and other Communities in general. So, I pray most respectfully that necessary sanction may kindly be accorded for starting and publishing the said paper at Mysore.

Soliciting an early compliance thereof and thanking you in anticipation,

I have the honour to be
S i r,
Your most obedient servant,

M. L. Nagannah
PENSIONER.

Old Agrahar,
Mysore,
19th Apr.,'26

App.F.VI G1.]

SUBJECT

Diary No of letter replied to

General and Revenue Secretariat

( )

, the *192*

Date of issue 3/5/26

Signed by Srs. M. Venkatesa Iyengar

Section C/B

File No. 177-25

Serial No. 8

No. 2890

To

M. L. Nagamma Esq.

Pensions. Asiatic Gen. Security

Life Assurance Co. Ltd. Old Cubbon

Mysore

Sir

With reference to your application dated the 19th April 26 requesting sanction to start and publish a weekly by the name of "Veena Shree" at Mysore in which you desire to enquire the language in which you propose to conduct the said weekly.

46824

OM.

From

CP 1724

M. L. Nagannah,
Founder and Retired Managing Director,
Asiatic Government Security
Life Assurance Company, Limited,
Old Agrahar, Mysore.

The Chief Secretary to the Government
of His Highness the Maharaja of Mysore,
Bangalore.

Sir,

In reply to your kind letter No. 2890/ C. B. 177 - 25, dated 3rd instant, I beg to inform you that I intend to conduct the Weekly Paper under reference in Canarese language for the time being.

Trusting to receive the sanction at your earliest convenience and thanking you in anticipation,

I have the honour to be,
Sir,
Your most obedient servant,

M. L. Nagannah

PENSIONER.

Mysore,
Dated 5th May, 1926.

Confidential.

General & Revenue Secretariat,

No. 2933/C.B.177-45 *Bangalore,* 10/5/1946

Dear Sir,

Through the D.C.P

I am desired to request you to kindly furnish Government with a confidential report on the character and antecedents of one Mr. M.L. Nagannah Pennine Ariette Engr. Security Life Assurance Company Ltd. Mysore Old Agrahar Mysore *who has applied for permission under the Mysore Newspapers Regulation, III of 1908, to edit, print and publish a* weekly Newspaper by the name of "Veerashiva" at Mysore in Canarese

2. *I am to request that, instead of, or in addition to, any enquiry by the Superintendent of Police or other subordinate officers, you may send for the applicant and personally interview him so that you may be able to form an idea of the merits or defects of the applicant and so that any misstatements in other reports may have a chance of being corrected.*

3. *An early reply is requested.*

Yours sincerely,

To A. V. Ramanathan Esq. B.A.
District Magistrate Mysore.

934/C.B. A/10/5/46

A779

Copy to the D. C. of Police in Mysore.

From

The Deputy Commissioner,

Mysore District.

To

The Chief Secretary to Govt
Bangalore.
Through the I.G. of Police .

Dated 22nd May 1926.

Despatched 24/5/26

Received

General No. C.1736/J.25-26,Rev
No.

Enclosure No. Orders

15089

OFFICE OF THE INSPECTOR GENERAL OF POLICE IN MYSORE
Regr. No. C. 2472/1
Date 25.5.26

Recommends that Mr.M.L.Nagann may be given permission to edit print and publish a weekly Kannada News Paper styled "Veera Shiva".

629

I believe it is
his main
livelihood

26/5/26

CONFIDENTIAL.

No.C.1736/J.25-26. Office of the District Magistrate
Mysore District.
Dated, Mysore, 22nd May 1926.

From

.V. Ramanathan, Esq., B.A.,

District Magistrate, Mysore District.

To

P.G. D' Souza, Esq., B.A., B.L.,

Chief Secretary to the Government

of Mysore, Bangalore.

Through The Inspector-General of Police in Mysore.

Sir,

With reference to your D.O. No.2933/C.B.177-25 dated 10th May 1926 requesting a confidential report on the character and antecedents of Mr. M.L. Naganna who has applied for permission to edit, print and publish a weekly Kannada News Paper styled "Veera Shiva" , I have the honor to forward herewith the report of the Assistant Superintendent of Police, Mysore, in the matter and to state that I gave an interview to him this day.

He intends to deal in his weekly with spiritual moral and educational topics concerning Veerasivas. The paper will have no relation to politics and inter-commun questions or controversials. He is of 42 years of age and seems to have sound views.

He says he draws a pension of Rs.100/- from the Asiatic Government Security Life Assurance Company (Ltd) Mysore.

He gave a copy of memorandum of Association of the all India cooperative and charitable Association Ltd which he intends to float and to work for. The same is enclosed for perusal.

I am of opinion that permission may be granted to these to start the intended news paper.

I have the honor to be,

Sir,

Your most obedient servant,

for District Magistrate,

Mysore District.

28/8 (Absent from station)

OM

MEMORANDUM OF ASSOCIATION

OF

All-India Co-operative & Charitable Association Ltd.

WITH

ARTICLES OF ASSOCIATION

OM

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OM

MEMORANDUM OF ASSOCIATION
OF
All-India Co-operative & Charitable Association Ltd.

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1. The name of the Association is the " All-India Co-operative and Charitable Association Limited. "
2. The Registered Office of the Association will be situated in the State of Mysore.
3. The objects for which the Association is established are:—
   (a) To establish Charitable Institutions in every principal town in India and also in any other part of the world for feeding the disabled and nourishing the suffering poor without any restriction of caste, creed or sex, and also for aiding Educational, Medical, Religious and other Institutions started for the good of the society.
   (b) To carry on in India and in any other part of the world the business of raising funds by issuing at par or at a premium, bonds, debentures and debenture stock, perpetual or otherwise, with or without special privileges and also with or without a specific charge on all or any part of the property of the Association.
   (c) To invest, perpetually or otherwise, the principal amount of bonds, debentures and debenture stock, in the Government, Indian or Foreign, or in securities guaranteed by the said Government.
   (d) To deposit, perpetually or otherwise, the Government securities held by the Association for safe custody with an Official Trustee or Trustees appointed by the Government or Governments, Indian or Foreign.
   (e) To maintain and aid the abovesaid Charitable and other institutions with a portion of interest accrued on the funds invested as above in the Government or in the Government Securities.
   (f) To grant loans, with or without interest or security to the holders of bonds, debentures or debenture stock, as determined by periodical drawings out of a portion of interest accrued on the abovesaid funds, and allow the repayment of the said loans by easy instalments.
   (g) To utilize a portion of interest accrued on the abovesaid funds together with the amount of instalments repayable to the Association on account of loans granted to the bond and debenture holders and also admission, stamp and other fees payable by the holders of bonds, debenture and debenture stock, for meeting the working expenses of the Association, making provision for Reserve Fund and paying dividends to the Shareholders.
   (h) To invest the paid-up capital and Reserve Fund in such securities as are determined from time to time by the Association in its General Meeting.

(i) To purchase, take or lease in exchange, or hire or otherwise acquire any estate, interest in any lands or buildings, leasements, rights, privileges, concessions and immoveable property of any tenure or kind necessary or convenient for the business of the Association in any part of the world.

(j) To erect, construct, lay down, enlarge, alter and maintain buildings, works and machinery, necessary or convenient for the business of the Association in any part of the wo

(k) To purchase or otherwise acquire the business and property of any person, firm or company carrying on any business which the Association is authorized to carry on and take over the property and liability of such person, firm or company on such terms as the Association may think fit.

(l) To enter into partnership and into an arrangement for sharing profits, union of interest, co-operation and joint adventure, reciprocal concession or otherwise, with any person, firm or company carrying on or about to engage in, any business or transaction calculated to benefit this Association and to guarantee the contracts of or otherwise assist such person, firm or company.

(m) To establish Provincial and Local Boards, Branches and Agencies in any part of the world and to discontinue the same.

(n) To enter into and carry into effect an agreement with regard to management which has already been prepared and is expressed to be made between Mr. M. L. Nagannah of the one part and the Association of the other part, and copy whereof is annexed hereto.

(o) To enter into agreements with the officers, agents and other employees of the Association on the terms and conditions as are determined by the Directors from time to time.

(p) To do all such other things as are incidental or conducive to the attainment of all or any of the above objects.

The liability of the Shareholders is limited.

The capital of the Association is Rs. 1,00,000 divided into 2000 shares of Rs. 50 each, with power to increase.

OM

ARTICLES OF ASSOCIATION

OF

All-India Co-operative & Charitable Association Ltd.

I. CONSTITUTION OF THE ASSOCIATION.

It is agreed as follows:—

Association to be governed by these Articles and also Table 'A'.

1. The Association is established with Limited Liability in accordance ith, and subject to, the provisions of the Mysore Companies Regulation o. VIII of 1917. The Regulations for the management of the Association ıall be such as are contained in the following Articles and also in the Table A ' of the First Schedule to the said Mysore Companies Regulation so far they are not modified by the following Articles.

II. PRELIMINARY.

Interpretation clause.

2. The marginal notes hereto shall not affect the construction hereof ıd in these presents unless repugnant to the context or subject, expressions ›fined below and also in the Mysore Companies Regulation No. VIII of)17 shall have the meanings so defined; words importing the singular shall clude the plural and vice versa, and words importing the masculine gender ıall include the feminine also, and words importing persons shall include ›dies corporate.

'The Association' or 'This Association'

" The Association " or " This Association " means ' All-India Co-›erative and Charitable Association Ltd. " established under the Memo-ındum of Association to which these Articles are annexed.

These Presents or Regulations.

' These Presents ' or ' Regulations ' means and includes the Memo-ındum and these Articles of Association, and any modification or altera-›n thereof for the time being in force.

Shareholders Members.

' Share-holders ' or ' Members ' means the duly registered holders om time to time of the Shares of the Association.

Directors.

' Directors ' means the Directors for the time being of the Associa-›n or the Directors assembled at a Board as the case may be.

Board.

' Board ' means a meeting of the Directors duly called and consti-ıted.

Year.

' Year ' means calendar year.

Acts.

' Acts ' means the Mysore Companies Regulation No. VIII of 1917 ıd any statutory modification or alteration thereof for the time being in force.

III. CAPITAL.

Amount of capital and minimum subscription.

3 The Capital of the Association, for the time being, shall be s. 1, 00, 000 divided into 2000 shares of Rs. 50 each and the minimum ımber of shares to be subscribed before the first allotment of shares and the mmencement of the business of the Association shall be 200 shares of the ›minal value of Rs. 10, 000.

Allotment of Shares.

4. The shares shall be under the control of the Directors who may allot otherwise dispose of the same to such persons, on such terms and conditions, and either at a premium or at par, and at such times, as the Directors think fit, and with full power to give to any person the call of any shares either at par or at premium, during such time, and for such concession as the Directors think fit.

Payment of Share Calls and sale of shares at a premium.

5. The Directors, unless they otherwise determine, shall, for the time being, call Rs. 50 fully per share and recover the same by instalments, that is, Rs. 2—8—0 with the application, Rs. 2—8—0 on allotment and the balance Rs. 45 by nine quarterly instalments of Rs. 5 each from the date of allotment; and the shares of the Association shall, unless otherwise determined by the Directors, be sold at a premium of Rs. 2-8-0 per share and the said premium shall be recovered with the application alone.

Commission for placing shares.

6. The Association may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Association, or for procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares in the Association, so that if the commission shall be paid or payable out of capital, the statutory requirements and conditions shall be observed and complied with and the commission thus payable shall not exceed 5 % on the nominal value of shares in each case subscribed or to be subscribed.

Forfeiture and revival of shares.

7. The Directors or any person authorized by them may forfeit any defaulting share or shares after giving thirty days' notice for the payment of allotment money or instalments due, and they or the said person may at any time before the said forfeited shares shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they or he thinks fit.

Issue of bonds to the shareholders and their participation in the Annual Drawings.

8. Every shareholder shall be entitled to a Personal Investment Bond of Rs 50 per each share he holds, on payment of Rs. 2-8-0 per bond towards admission fee and cost of bond, but he shall be eligible to participate in the Annual Drawings only after he completes the payment of his full share amount. If any Shareholder wishes to participate in the said Drawings before that, he shall be required to pay the Personal Investment Department Rs. 4 per bond per month towards interest from the beginning of the calendar year in which he gets the bond until the end of the month in which he completes the payment of his full share amount. But no shareholder shall be entitled to the refund of the amount of bond or bonds issued in his favour and he shall never cease to be the bond-holder.

Copies of the Memorandum and Articles of Association.

9. Copies of the Memorandum and Articles of Association shall be furnished by the Directors to every shareholder at his request on payment of their price not exceeding Re. 1 per each copy.

IV. BUSINESS.

Place of business.

10. The Head Office of the Association shall be in the City of Mysore and the business of the Association shall be carried on there and at such other place or places within and beyond the limits of India, Burmah and Ceylon as the Board may deem advisable.

Nature and conduct of business.

11. Although the main business of the Association for the time being shall be to raise funds by issuing bonds under the Personal Investment Scheme of the Association, and to maintain Charitable Institutions out of a portion of interest accruable on the said Personal Investment Funds as mentioned hereinafter, yet the business of the Association shall include everything within the scope of the Memorandum of Association. Such business shall be carried on by or under the management and direction of the Board; and any act or thing, and any branch or kind of business which by the Memorandum of Association is either expressly or by implication authorized to be done, suffered or undertaken by the Association, may be undertaken by the Directors at such time or times and in such manner as they shall think fit.

12 Any number of series of one lakh bonds shall be issued by the Association in favour of those who are desirous of depositing Rs. 50 each with the Association free of interest, and the qualified holders of the said bonds shall be entitled to receive loans ranging from Rs. 1000 to Rs. 5000 without interest on their personal security, repayable in 100 monthly instalments of Rs. 10 per thousand, as determined by the drawings of every calendar year to be held on 31st January of the subsequent calender year, as explained below.

Issue of bonds.

Grant of loans by drawings.

Example:—If there will be 1,00,000 qualified bond-holders (in any series issued by the Association) on 1st January of a calendar year, the Association will have collected not less than Rs. 3,00,000 towards interest during the said calendar year either from the bond-holders themselves or by investing the fully paid-up bond amounts in the Government or in the Government Securities at a minimum rate of 6 per cent interest per annum. Out of the names of the said one lakh bond-holders, only one hundred names will be drawn in the drawings of the said year to be held on 31st January of the subsequent calendar year and the first and second drawn bond-holders will get loans of Rs. 5000 and Rs. 2000 respectively, while the remaining 98 drawn bond-holders will get loans of Rs. 1000 each, amounting in all to Rs. 1,05,000 and leaving a surplus of Rs. (3,00,000 less 1,05,000) 1,95,000 for being utilized for charitable and other purposes as mentioned hereinafter.

Example for holding drawings and distributing loans among the drawn bond-holders.

13. If the number of qualified bond-holders be less than one lakh on the first day of a calendar year, so many names as many thousands of qualified bond-holders as there will be on the said day shall be drawn in the drawing of that year and all the drawn bond-holders including the first and the second also shall get a loan of Rs 1000 each. If there be any part of one thousand, the last drawn bond-holder shall get a loan of so many hundreds of rupees as many complete hundreds of bond-holders as there will be in that part of one thousand as explained below.

Drawing when the number of bond-holders is less than one lakh.

Example:—If there will be 78,422 qualified bond-holders on the first day of a calendar year, only 79 names will be drawn as there will be one incomplete and 78 complete thousands. So, 78 drawn bond-holders will get a loan of Rs. 1000 each while the last (i.e. 79th) drawn bond-holder will get only Rs. 400 as there will be only four complete hundreds in that one incomplete thousand.

Example for the above.

14. Any person of sound mind, aged 18 or above, can take up any number of bonds in any series without any restriction of caste, creed or sex. Every bondholder shall pay Rs. 2-8-0 per bond with his application towards admission fee and cost of bond.

Eligibility for taking up bonds and payment of admission fee and cost of bonds.

15. In case a bondholder cannot pay the bond amount of Rs. 50 in lump-sum with his application, he shall be allowed to pay the same by instalments of not less than Re. 1 each, per month; but such bondholders shall pay an interest of As. 4 per month per bond until they complete the payment of Rs. 50. Both the abovesaid instalments and interest shall be paid on the first of each calendar month and the said instalment and interest shall commence to be paid from the month following that in which the allotment of bond will be made.

Payment of bond amount by instalments.

16. If the monthly instalment and interest are not paid within the month in which they fall due, the bond shall lapse to the Association and the name of the bondholder shall be struck off, and the amounts paid thereon till then forfeited to the Association in case the same is not got revived by the bond-holder within three months from the date of default, on payment of all arrears with a penalty of one anna per Rupee per month.

Forfeiture, Revival and penalty.

Eligibility of bond-holders to participate in the drawings.

17. (a) The bondholders who will have paid-up their bond amountsfully before 1st January and also those who have not completed the payment of their bond amounts before the said 1st January, but will have paid all the due monthly instalments and interest till the end of a calendar year without anything in arrears, shall be qualified to participate in the drawings of the said calendar year.

(b) Those persons that take up bonds subsequent to January in a calendar year and who pay interest at As. 4 per bond per month from 1st January upto the end of the month in which the bonds will be allotted to them shall aiso be qualified to participate in the drawings provided the monthly instalments and further interest on their bonds payable during the said calendar year will not be in arrears.

Deduction of bond amount out of the loan advanced.

18. If the name of any partly paid-up bond-holder is drawn, the balance amount due on his bond shall be deducted out of the loan amount to be paid to him.

Refund of bond amount to the bond-holders.

19. No bond-holder in any series shall be entitled to the refund of his bond amount until his bond is drawn, but he shall be allowed to adjust his bond amount out of the last instalments payable by him on account of the loan advanced to him.

Non-inclusion of the drawn bonds in subsequent drawings and when bond-holders cease to be such.

20. The bonds once drawn shall not be included in the subsequent drawings and the drawn bond-holders shall cease to be the holders of their bonds after they liquidate the loan amounts advanced to them.

Rights of the heirs of the deceased and other bond-holders.

21. The legal heirs of the deceased bond-holders or of those who become lunatic or of unsound mind shall have the same rights and privileges as if they had been original bondholders.

Security to be furnished by the drawn bond-holders if required by the Directors.

22. The Directors, before the grant of loan to any drawn bondholder, may, at their discretion, ask the said bondholder to furnish a personal guarantee of any respectable person for the repayment of the loan amount in case of the bond-holder's death before the repayment of the said loan amount, or to take up a life policy to the extent of the loan amount in his name in any Life Assurance Company approved by the Association on payment of the first year's premium and keep the said policy deposited with the Association as security for the loan amount advanced so that the unpaid loan amount may be adjusted out of the assured amount and the balance paid to the heirs or the nominees of the bondholder in case of his previous death, to avoid litigation which would otherwise arise.

When unpaid loan amount becomes immediately payable.

23. In case any bondholder, after the receipt of the loan amount, discontinues the payment of his instalments for three consecutive months or allows his policy deposited with the Association to lapse owing to the non-payment of his premiums on due dates, the unpaid loan amount shall become immediately payable by him to the Association.

Holding drawings in places other than the Head Office.

24. If there will be not less than 100 bondholders eligible for drawing in any Province or principal town, the Directors may, at their discretion, allow a drawing of the bondholders of that Province or the principal town to be held therein and the names of the bondholders of the said Province or the principal town as the case may be shall not be included in the drawings to be held at the Head Office of the Association if the drawing is held in the said Province or principal town. The examples given under Articles 12 and 13 shall apply to each of the said drawings held separately.

Opening branches in

25. After the Provincial Board is organised in a Province, the Directors

may open a Branch of the Association in the said Province under the management of the said Provincial Board subject to the control and supervision of the Directors. The Directors, if they deem it advisable, may even transfer the accounts of all the bond-holders in the said Province to the said Branch Office and authorize the Provincial Board to issue bonds from the said Branch Office alone.

other Provinces, transfering of bond-holders' accounts to the said branches and authorizing the issue of bonds by them.

26. The principal amount of bonds to be collected from the bond-holders shall form a separate fund called 'The Personal Investment Fund' and such fund shall be as absolute security for the bond-holders.

Personal Investment Fund and sole charge of the bond-holders thereon.

27. The bond-holders of the Association in a Province shall have a preferential lien on the funds collected and invested either in the Government of the said Province or in the securities guaranteed by the said Provincial Government.

Preferential lien of the bond-holders on the funds collected in each Province.

28. The Directors may, if they think it advisable, issue any number of series of bonds of higher or lower denomination and give the benefits to the holders of the said bonds proportionately.

Issue of bonds of higher or lower denomination with proportionate benefits.

29. The Directors may, whenever they deem it necessary, issue separate series of bonds for each Province, or community as they shall think fit.

Separate series for each Province or Community.

V. CHARITABLE INSTITUTIONS.

30. The Directors shall start Charitable Institutions for feeding the disabled and nourishing the suffering poor at Mysore and also in each and every Province or Principal town throughout India, Burmah and Ceylon and 50 per cent. of the interest accruable on the bondholders' funds of the Association shall be exclusively utilized for the maintenance of the said institutions.

Where Charitable Institutions are to be started and how maintained.

31. If there will be any surplus out of the above said 50 per cent. interest after meeting the expenses of such institutions, the Directors may utilize the same for aiding the Educational, Medical, Religious and other similar charitable institutions as they think fit.

Surplus of 50 per cent. interest to be utilized for aiding Educational, Medical, Religious and other institutions.

32. Fifty per cent. of the interest accruable on the funds to be collected from one lakh bondholders of the first series shall be exclusively utilized for aiding the Educational Institutions and Students' Homes to be established throughout India by His Holiness Sri Jagadguru Sivananda Rajendra Sivacharya Mahaswami of Rambhapuri, and the amount thus allotted shall be allocated by a Committee consisting of His Holiness as President and the Directors of the Association as the members of the said Committee.

Utilization of half of the interest accrued on the funds of the first series.

33. If there will be not less than 2,000 fully paid-up bondholders in a Province, District, Taluk or town, the Directors shall at once organize a Provincial or Local Board, as the case may be, in the said Province, District, Taluk or town and make necessary arrangements for starting a charitable institution therein as mentioned in Article No. 30. In case a charitable institution is so started in a Province, District, Taluk or town, 50 per cent. of the interest accruable on the funds of the bondholders in the said Province, District, Taluk or town shall be utilized exclusively for maintaining the charitable institution in the said Province, District, Taluk or town alone.

When charitable institutions to be started and how they are to be maintained.

VI. MANAGEMENT OF BUSINESS.

34. Mr. M. L. Nagannah shall be and he is hereby appointed as the Chief Organizer of the Association in terms of the agreement, a draft whereof, is set out in the schedule hereto. He shall do everything necessary

Appointment of the Chief Organizer.

for the promotion, registration, formation and establishment of the Association, and also he shall have power to pay and charge to the Capital account all the legal costs, charges and expenses of and incidental to the same.

Association to enter into agreement and agreement to be sealed by the Association.

35. The Association shall enter into the abovesaid agreement with Mr. M. L. Nagannah and the Directors shall forthwith, after the incorporation of the Association, affix the seal of the Association to the said agreement. The Association is formed on the basis that the said agreement shall be entered into and every member of the Association, present or future, shall be deemed to have noticed the provisions of the agreement and to have assented to the terms thereof

Duties of the Secretary.

36. The business of the Association shall be carried on by the Secretary of the Association at Mysore in the name of the Association in the ordinary course, under the control and directions of the Chief Organizer, subject to the Regulations of the Association and bye-laws of the Board of Directors and all receipts signed by the Secretary shall be valid and sufficient to all intents and purposes. The Secretary of the Association shall cause all various disbursements made in carrying on the business of the Association with the previous sanction of the Chief Organizer and shall cause proper accounts kept of all the transactions of the Association. The Secretary, at the end of every calendar year, shall settle and adjust accounts of the Association with the Board and Auditors and shall make out a Balance Sheet and all the Returns and statements required by the Acts to be audited and signed as the Acts require.

Secretary to be in charge of the Head Office.

37. The Secretary shall be solely in charge of the Head Office of the Association and keep all books, documents, papers, accounts etc belonging to the Association in such form as the Chief Organizer directs. The Secretary shall also keep all letters signed by him and shall submit to the meetings of the Association and of the Directors and the Committee, requiring the attention of these bodies.

The Secretary to comply with the provisions of the Acts and Regulations of the Association.

38. The Secretary shall duly comply with the provisions of the Acts and the Regulations of the Association and he shall submit all the necessary returns to the Registrar as well as to the members of the Association then and there in due time in compliance with the said Acts and Regulations.

General Management in the hands of the Chief Organizer.

39. The general management of the business of the Association, subject to the control and supervision of the Directors, shall be in the hands of the Chief Organizer of the Association, who shall have power and authority on behalf of the Association, subject to such control and supervision, to do all other things usual, necessary or desirable in the management of the affairs of the Association or in carrying out its objects, and shall have power to appoint and employ, in or for the purpose of the transaction and management of the affairs and business of the Association, or otherwise for the purpose thereof, with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise, as he shall think fit, and from time to time to remove or suspend the Secretary, Managers, Officers, Chief Agents, Agents, Clerks and other employees as he shall think proper.

Chief Organizer to have power to sub-delegate.

40. The Chief Organizer shall be authorized to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him either by these Articles or by the Directors, and in particular, from time to time appoint an Attorney or Attorneys, for the management and transaction of the affairs of the Association in any specified locality, in such manner as he may think fit.

Endorsement of

41. All Government securities held by the Association, and requiring

the endorsement of the Association, shall be endorsed for and on behalf of the Association by the Secretary, the Chief Organizer and the Chairman of the Board of Directors. Cheques or orders for payment (including that of interest accrued on the Government Securities) given to the Association's bankers for collection, and requiring endorsement of the Association, may be endorsed, on its behalf, by the Secretary alone or such other officer authorized by the Board, and in case the said cheques or orders for payment are to be encashed, the same shall be signed by the Secretary and countersigned by the Chief Organizer.

bills etc.

42. The Chief Organizer shall act as the Superintendent of all the charitable institutions started and aided by the Association.

The Chief Organizer to be the superintendent of all charitable institutions.

VII. GENERAL MEETINGS.

43. The General Meeting shall be held once at least in every calendar year at such time, not being more than 15 months after the holding of the last preceding General Meeting at such place in Mysore as may be determined by the Directors. Such General Meetings shall be called 'Ordinary Meetings' and all other meetings of the Association shall be called 'Extraordinary Meetings.' 15 clear days' notice at least shall be given to the members for every General Meeting, ordinary or extraordinary.

Ordinary and Extraordinary General Meetings to be held.

44. Five members present in person and entitled to vote, shall be a quorum for an Ordinary General Meeting while the quorum for an Extraordinary General Meeting shall be not less than ten members present in person and entitled to vote.

Quorum.

45. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting. If their be no chairman or if at any meeting, he shall not be present within half an hour after the time appointed for holding such meeting, or is unwilling to act, the Directors present may choose a Chairman, and in default of their doing so, the members present shall choose one of the Directors to be chairman, and if no Director be willing to take the Chair, shall choose one of their number to be Chairman.

Chairman of the General Meetings.

46. Where it is proposed to pass a special resolution, the two meetings may be convened by one and the same notice, and there shall be no objection to such notice as it only convenes the second meeting contingently on the resolution being passed by requisite majority at the first meeting.

Two meetings convened by one notice.

47. The accidental omission to give notice of any meeting to any of the members shall not invalidate any resolution passed at any such meeting.

Ommission to give notice.

VIII. DIRECTORS.

48. Until otherwise determined by a General Meeting, the number of Directors shall be not less than 4 and not more than 7 excluding Bondholders' Representative. The subscribers of the Memorandum of Association shall be the first Directors of the Association. They shall continue as such until they resign or any others are elected in their place in the first or subsequent General Meetings subject to the provisions of any agreement between all or any of them and the Association.

Number of Directors and first Directors.

49. As soon as there will be 2,000 fully paid-up bondholders, a Bondholders' Representative shall be nominated by either the Government of Mysore or that of India to be on the Board of Directors to watch the interests of the bondholders and the said nomination may be made by the Government once in every year or otherwise as they shall think fit. The Bondholders' Repre-

Election of bondholders' representative by the Government to be on the Board and his remuneration.

sentative shall be entitled to the same privileges and remuneration as any other Director of the Association.

Power of Directors to appoint additional Directors.

50. The Di all have power, at any time, and from time to time, to appoint any other qualified person as a Director, either to fill up a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not, at any time, exceed the maximum number fixed.

Qualification of each Director and when the office of a Director to be vacated.

51. The qualification of a Director shall be the holding of at least 20 shares in the Association to the nominal value of Rs. 1000/-. The Office of a Director shall **ipso facto** be vacated if he ceases to hold the number of shares required to qualify him for office, or if he becomes a defaulter on account of non-payment of two instalments consecutively or if he is convicted for any offence involving moral turpitude:

Remuneration of Directors.

52. A Director shall be paid by way of remuneration for his services a sum of Rs. 25 for each meeting of the Board and a sum of Rs. 12-8-0 for each meeting of the Committee attended by him and all the Directors including Bondholders' Representative (if any nominated) shall, in addition, receive 10 per cent of the net profits of the Association every year to be divided equally among them. Until the business of the Association is commenced, the Directors shall not be entitled to any meeting fees and even after the business is commenced, they shall be entitled to only half of the meeting fees specified above till the whole capital of the Association is fully subscribed.

Travelling expenses of the Directors.

53. The Directors may allow and pay to any Director who is not a bona-fide resident of Mysore and who shall come to Mysore for the purpose of attending the meeting, such sum as the Directors may consider fair compensation for his travelling expenses in addition to his fee for attending such meeting as above specified.

Power of Director to retire.

54. A Director may retire from office after giving three months' notice in writing to the Association of his intention so to do, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.

Who is to call the meeting of Directors and Committee of Directors.

55. The Secretary on the requisition of the Chief Organizer or of the majority of the Directors, shall at any time, summon the meeting of the Directors or of the Committee of Directors.

Quorum and number of meetings.

56. Unless otherwise determined by the Directors, the quorum of the meeting of the Board or the Committee of the Directors, shall be three. In a calendar year, the meetings of the Board shall not be more than two and those of the Committee shall not be more than twelve, except in emergent cases

Resolution without Board Meeting valid.

57. A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

Appointment of the Committee.

58. The Directors shall appoint a Committee consisting of the Chief Organizer, the Bondholders' Representative (if any nominated) and two of the other Directors for conducting the business of the Association and all acts done by the said committee in conformity with the Regulation but not otherwise, shall have the like force and effect as if done by the Directors unless any of such powers are specifically restricted by the Board.

Powers and duties of the Committee.

59. The Directors may, from time to time, entrust to and confer upon the said Committee such of the powers exerciseable under these presents by the Directors as they may think fit and may confer such powers for such

time and to be exercised for such object and purposes and upon such terms and conditions, and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of, and substitution for, all or any of the powers of the Directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Meetings of the Committee.

60. The Committee shall in the exercise of powers so delegated, conform to any Regulations that may, from time to time, be imposed upon it by the Directors. The meetings and the proceedings of the said Committee shall be governed by the Regulations provided for conducting the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any Regulations made by the Directors.

Resolutions of the Committee requiring the approval of the majority of the Directors.

61. All the resolutions passed in a meeting of the Committee concerning matters of which powers are restricted by the Directors shall be circulated to all the Directors of the Association who are not members of the Committee for approval by post or otherwise and such resolutions as will meet the approval of the majority of them shall be given effect to.

Minutes of proceedings of the Association and of the Directors and Committee to be kept.

62. The Directors shall cause minutes to be made in books provided for the purpose,

1. of all the appointments of the officers and Committees made by the Directors;

2. of the names of the Directors present at each meeting of the Directors and of Committee of Directors;

3. of all orders made by the Directors and Committee of Directors;

4. of all resolutions and proceedings of General Meetings, and all meetings of the Directors and Committee.

Minutes of proceedings if signed by the Chairman shall be received as prima-facie evidence.

63. Any such minutes of any meeting of the Directors or of the Committee or of the Association, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be received as prima-facie evidence of the matters stated in such minutes.

Secretary to send copies of resolutions of meetings to all the Directors.

64. The Secretary of the Association shall act as the Secretary of all the meetings of the Directors and of the Committee of Directors and he shall be in charge of the Minutes book. Copies of all resolutions and proceedings of every meeting of the Directors or of the Committee of Directors shall be sent to all the Directors of the Association within a week from the date of such meeting, and every copy shall be certified by the Secretary and the Chairman of the Meeting as true copy of the said resolutions and proceedings

IX. POWERS OF DIRECTORS.

Powers of Directors.

65. The Directors, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Association, and are not hereby or by law expressly directed or required to be exercised or done by the Association in General Meeting; but subject, nevertheless, to the provisions of the said Act and under these presents, and to any Regulations from time to time made by the Association in General Meeting; provided that no Regulation so made shall invalidate a prior act of

the Directors which would have been valid if such Regulation had not been made.

Express powers of the Directors,

66. In furtherence and in not limitation of, and without prejudice to the general powers conferred by these Articles, it is hereby expressly declared that the Directors shall have the following powers, that is to say, power:—

to pay preliminary expenses.

(a) to pay and to charge to the Capital Account of the Association the Legal costs, charges and expenses of and incidental to the promotion, registration, formation and establishment of the Association,

to execute agreement.

(b) to execute or cause to be executed on behalf of the Association an agreement in terms of the draft thereof already prepared and purporting to be made between the Association of the one part and Mr. M. L. Nagannah of the other part, which draft is set out in the Schedule hereto,

to execute other agreements.

(c) to execute or cause to be executed on behalf of the Association an agreement or agreements with any person or persons for conducting and furthering the business of the Association upon the terms and conditions as they think fit,

to organize Provincial and Local Boards, Branches & Agencies.

(d) to organize Local and Provincial Boards, Branches and Agencies within and beyond the limits of India, Burma and Ceylon whenever the Directors deem it necessary, on such terms and conditions and also with such powers and duties as the Directors may, from time to time determine,

foreign business.

to take all necessary steps for registering the Association in conformity with the laws of any foreign State or British Colony or Dependency and apply for and accept all statutes, laws or Decrees of the Government or authorities thereof necessary or expedient for enabling the Association to carry on business w thin the jurisdiction of such State or Colony or Dependency, and for the purpose of transacting business or of getting the advantage of business transactions abroad, to form and carry subsidiary company, English, Colonial or Foreign and to subscribe for or purchase and hold or dispose of the whole or any part of the capital of such company and to use any subsidiary company as Agency or Branch,

to pay expenses for formation of such companies,

(f) to pay out of the capital of any such company all fees, costs, charges and expenses which may be incurred, or sustained in connection with the promotion and registration of any such company, or in connection with any other matter relating thereto,

to appoint and remove officers and others.

(g) to appoint and at their pleasure to remove or suspend (subject to the provisions of any agreement between them and the Association) Secretaries, Managers, Officers, Local and Provincial Directors, Chief Agents, Agents, Clerks and other employees for permanent or temporary or special services as they may from time to time, think fit and to determine their powers and duties and fix their salaries or emoluments and to acquire security in such instances and to such amount as they think fit,

(h) to enter in the name and for the purposes of the Association into such contracts as they may, in the exercise of discretion, consider necessary, including the accepting, making and negotiating of bills of exchange, promissory notes or other similar obligations, — to enter into contracts

(i) to institute, conduct, defend, compromise and abandon any legal proceedings by or against the Association or its officers or otherwise, concerning the affairs of the Association, — to institute legal proceedings.

(j) to refer to arbitration any claims or demands of or against the Association or any differences between the Association or the Board and other persons, and to perform and observe the awards therein or to contest the same if thought expedient, — to refer to arbitration.

(k) to issue in their absolute discretion the whole or any part of the shares for the time being forming part of the capital of the Association as and when and subject to such terms and conditions and either at par or at such premium, and to such person or persons, to the exclusion of any other persons or class of persons as the Board, acting in pursuance of these presents, may deem it necessary, proper or expedient in any circumstances whatsoever, — to issue shares.

(l) to purchase, hire, rent or otherwise acquire at any place whatever, such lands, houses and buildings, as they consider advisable for the purposes of the Association and to pull down, remove, alter and convert any such houses or buildings and to fit up and furnish, and insure against loss by fire all or any such houses or buildings with or without fittings and furniture, and to let or demise or give possession of, the whole or any part of the same whether fitted up or furnished or otherwise to such person or persons and upon such terms as to tenancy and occupation, as they consider advisable in the interests of the Association and the promotion of or carrying on its business, — to acquire lands and buildings.

(m) to let, mortgage, sell or otherwise dispose of any property of the Association either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit, and to accept payment or satisfaction for same in cash or in the Association debentures or in fully paid-up or other shares of the Association or partly in cash and partly in such debentures or shares or in such other manner as the Board deem expedient, — to mortgage and sell property.

(n) to buy or procure the supply of all plant, machinery, materials, stores, fuel, implements, apparatus, furniture and other moveable property required for the purposes of the Association, — to purchase machinery etc. for the use of the Association.

(o) to raise or borrow money for the purpose of the Association on the mortgage of its property or any part thereof or otherwise, and either including any part of the capital of the Association paid or unpaid, and either on any bond or debenture payable to bearer or otherwise, or on any call or any of such securities and at such rate of interest and re- — to borrow money.

payable in such manner and generally upon such terms as the Board shall think fit,

to pay debts and claims.

(p) to pay and satisfy all debts due from and all liabilities of and claims and demands against the Association,

to delegate and sub-delegate powers etc.

(q) to delegate to any person or persons any of the powers, authorities and discretions vested in the Directors and also authorise him or them to sub-delegate,

to issue power of Attorney

(r) to appoint by power of attorney any person or persons to be the attorney or attorneys of the Association for such purpose and with such powers, authorities and discretions and for such period and subject to such conditions as the Directors may, from time to time, think fit,

to appoint Trustees.

(s) to appoint any person or persons) whether incorporated or not) to accept and hold in trust for the Association in which it is interested or any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such Trustee or Trustees,

to authorize acceptance etc.

(t) to determine the person or persons who shall be entitled to sign on behalf of the Association bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents,

to give security by way of indemnity.

(u) to execute in the name of and on behalf of the Association in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Association, such mortgages of the Association's property, present and future, as they think fit and any such mortgage may contain the power of sale and such other powers, covenants and provisions as shall be agreed upon,

to invest funds of the Association.

to invest the funds of the Association from time to time in any Government Securities, to vary such invesments and to execute all assignments, and tranfers, receipts and documents that may be necessary or expedient in that behalf,

to pay commission and profits.

(w) to give to any person employed by the Association a commission or share in the general profits of the Association on any particular business done by him such commission or share of profits being treated as part of working expenses of the Association,

to frame bye-laws.

(x) to make bye-laws in conformity with these Articles to provide for cases and conditions not provided for herein and

general.

(y) generally to do, sanction and authorise all such matters and things as may be necessary to be done in or about conducting the affairs of the Association or carry into effect all or any of the objects or powers of the Association as expressed in the Memorandum of Association, or in and about the execution of all or any of the powers hereinbefore conferred upon the Directors.

X. SEAL.

The seal, its custody and use.

67. The ... provide a common seal for the purposes of the ociation, and shall have power from time to time to destroy the same and stitute a new seal in lieu thereof; and the Directors shall provide for the custody of the seal for the time being and the seal shall never be used ept by the authority of the Directors or the Committee of Directors pre-usly given.

Deeds.

68. All deeds, certificates or other instruments executed on behalf of Association, shall be in such form and contain such powers, provisos, con-ons, covenants, clauses and agreements as the Directors shall think fit and ddition to their being impressed with the seal of the Association, they ll be signed by the Secretary and counter-signed by the Chief Organizer ny other Director appointed by the Board; in case the said certificate, d or instrument is in favour of either the Secretary or the Chief Organizer, hall be signed by any two of the other Directors.

XI. AUDIT.

Accounts to be audited annually.

69. Once at least in every calendar year the accounts of the Association ll be examined and the correctness of the Profit and Loss Account and the lance Sheet ascertained by one or more Auditor or Auditors.

Audit provisions; rights and duties of auditors.

70. The Association, at each Ordinary General Meeting, shall appoint Auditor or Auditors to hold office until the next Ordinary General Meeting l their remuneration, rights and duties shall be regulated by Sections 144 l 145 of the Mysore Companies Regulation.

Audit of accounts by the auditor appointed by the Government.

71. As soon as the Association will have 2,000 fully paid-up bond-hold-, the accounts of the Association shall be audited by an Auditor appointed the Government of Mysore or India on behalf of the bond-holders in addi-n to the Audit or appointed by the Shareholders.

When accounts to be deemed finally settled.

72. Every account of the Directors when audited and approved by the neral Meeting shall be conclusive except as regards any error discovered rein within three months next after the approval thereof. Whenever any h error is discovered, within that period, the accounts shall forthwith be rected and thenceforth shall be conclusive.

Destruction of records relating to the period previous to 3 years.

73. The Secretary, at the end of every calendar year may, with the vious sanction of the Board, destroy files of correspondence, vouchers and er papers which will be relating to the period previous to three years and not required for any future reference they being unnecessary and unim-tant.

XII. NOTICES.

How notices are to be served on members.

74. The notice may be served by the Association upon any member, her personally or by sending it through the post in a prepaid card, letter, velope or wrapper, addressd to such member at his registered place of lress.

Members residing abroad.

75. Each holder of registered shares whose registered place of address not in India, Burma or Ceylon, may from time to time, notify in writing to he Association an address in India, Burma or Ceylon, which shall be deemed is registered place of address within the meaning of the last preceding lause.

Notices where no

76. As regards those members who have no registered place of address

address.

in India, Burmah and Ceylon, a notice posted up in the Office shall be deemed to be well served on them at the expiration of 24 hours after it is posted up.

Notice to joint-holders.

77. All notices shall, with respect to any registered shares to which persons are jointly entitled, be given to whichever of such persons is first named in the register and notice so given shall be sufficient notice to all the holders of such shares.

When notice by post deemed to be served.

78. Any notice sent by post shall be deemed to have been served on the day on which the card, letter, envelope or wrapper containing the same is posted and in proving such service, it shall be sufficient to prove that the card, letter, envelope or wrapper containing the notice was properly addressed and put into the post office. A certificate in writing signed by the Secretary, Manager or other officer of the Association that the card, letter, envelope or wrapper containing the notice was so addressed and posted shall be conclusive evidence thereof.

Notice by advertisement in newspapers.

79. The Notice of the General Meeting whether ordinary or extraordinary, may be given to the members by advertisement only once in two daily newspapers one of which should be a local newspaper and the other should have publication in British India. If the notice is so given by advertisement, the notice shall be deemed to have been served upon the members on the day the said notice will be published in the said papers.

Transferees etc. bound by prior notice.

80. Every person who, by operation of transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such shares which, previously to his name and address being entered in the register, shall be duly given to the person from whom he derives his title to such share.

Notice valid though members deceased.

81. Any notice or document sent by post to, or left at the registered address of, any member, in pursuance of These Presents, shall, notwithstanding such member being then deceased, or whether or not the Association has notice of his decease, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof, and such service shall for all purposes of These Presents be deemed sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, jointly interested with him, in any such shares.

How notice to be signed.

82. Any notice to be given by the Association shall be signed by the Secretary or by such other officer as the Directors may appoint and the signature thereto may be written, printed or lithographed.

XIII. DIVIDENDS AND RESERVE.

Payment of dividends to shareholders

83. The Shareholders shall be entitled to the dividends out of the profits of the Association provided they will have paid up their full share amounts before the end of the year for which the dividends will be declared.

Unclaimed dividends

84. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Association until claimed and all dividends unclaimed for three years after having been declared, may be forfeited by the Directors for the benefit of the Association.

Reserve Fund.

85. The surplus amount of interest accrued on the bondholders' fund (after transferring the prescribed amount to the Drawing and Charity Funds

s herein-before mentioned) every year, plus the admission fees, cost of bond nd penalty payable by the bondholders as also the amount of loans re-payable y the drawn bondholders, less all the working expenses of the Association nd the dividends payable to the Shareholders shall be the Reserve Fund f the Association.

When Charity Fund can be appropriated for working expenses.

86. If in any year the working expenses of the Association exceed the urplus amount of interest and other incomes of the Association as mentioned n the last preceding Article, the Directors shall appropriate a portion of interest amount transferable to the Charity Fund for that year so as to cover he expenses incurred in excess during that year in case they find that the ame cannot be met out of the existing Reserve Fund

Appropriation of forfeited shares and bonds amount.

87. Till the preliminary expenses are entirely written off, the amount f forfeited shares and bonds shall be transferred to the Profit and Loss Account of the Association while the same shall be transferred to the Reserve Fund of the Association thereafter.

Appropriation of Reserve Fund.

88. The Directors may, from time to time, apply the Reserve Fund, if ny, or such portion thereof as they think fit, to meet contingencies or losses r for equalizing dividends or for repairing and maintaining buildings and premises of the Association or any part thereof or for any purpose of the Association which they may, from time to time, deem expedient.

XIV. INVESTMENT OF FUNDS.

General Banking accounts.

89. The Directors shall cause the banking account or accounts of the Association to be kept in the name of the Association with such bank or bankers as the Directors from time to time, determine and every sum paid on behalf of the Association amounting to Rs. 100 or upwards (except payments made from suspense account) shall be paid by cheque drawn on the bank or bankers of the Association and signed by the Secretary of the Association and countersigned by the Chief Organizer and the Chairman of the Board of Directors.

Suspense Account with the bank.

90. The Directors may, if they think fit, open an account with the local bankers of the Association to be called the Suspense Account and may place a sum not exceeding Rs. 1000 to the credit thereof and may authorize the Secretary and the Chief Organizer alone to operate on such account for the purposes of the Association and the Board shall, at each of their Meetings, examine and audit the suspense account and may, if they think fit, replace the amount which has been drawn from that account or so much thereof as they deem expedient by transferring to that account from the General Funds of the Association a sum equal to the amount which has been so drawn out or by such other means as they think fit.

Authority of Board for payment.

91. No payment other than payment from the Suspense Account shall be made without the authority of the Board or the Committee of the Directors

Investment of paid-up capital.

92. The paid-up capital of the Association shall be invested entirely in the Personal Investment Department of the Association and the said Department shall issue Personal Investment Bonds in favour of the Shareholders in lieu of the Share amounts to be invested therein so that the shareholders also may enjoy the privileges of the bondholders as mentioned in Article No. 8.

Investment of personal Investment Funds.

93. The Personal Investment Funds (that is, the principal amount of bonds to be collected from the bondholders) shall be invested entirely and also

perpetually either in the Government of Mysore or in either Indian or Foreign Government at a minimum rate of six per cent. interest per annum. In case no Government is willing to receive the abovesaid funds as perpetual deposit at the abovesaid rate of interest, the said Personal Investment Funds shall be invested entirely in the securities guaranteed by any of the said Governments.

Appointment of Official Trustee or Trustees, and the Government securities to be kept in safe custody.

94. If the Government securities are purchased by the Association as mentioned in the last preceding Article, they shall be held for safe custody by an Official Trustee or Trustees appointed for the purpose by either the Government of Mysore or any other Government, either Indian or Foreign or both.

Government Securities to be deposited with the Bankers of the Association.

95. Till the Official Trustee or Trustees are appointed by the Government, all the Government securities purchased by the Association shall be kept deposited with the Bank or Bankers of the Association for safe custody

Funds invested in and Official Trustee appointed by Local Governments.

96. If there will be not less than 2,000 fully paid-up bondholders in any Province, the Directors may invest the funds collected from the bondholders in the said Province either in the said Provincial Government or in the Securities guaranteed by such Government and they may allow the said Government Securities to be held for safe custody by an Official Trustee appointed by the said Government alone

Investment of Reserve Fund.

97. The Reserve Fund of the Association together with interest accruable thereon shall be utilized in purchasing or constructing buildings for the Head Office, Chief Agency Offices and Charitable Institutions of the Association and the surplus Reserve Fund, if any, shall be invested in such securities as are determined by the Board from time to time.

XV. INDEMNITY AND RESPONSIBILITY.

Directors' and others' rights indemnified.

98. Every Director and other Officer or servant of the Association shall be indemnified by the Association against, and it shall be the duty of the Directors out of the funds of the Association to pay all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or deed done by him as such officer or servant, or in any way in the discharge of his duties, including travelling expenses and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Association and have the priority as between the members over all other claims.

Not responsible for acts of others.

99. No Director or other officer or servant of the Association shall be liable for the acts, proceeds, neglects or defaults of any other Director or officer or servant or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Association through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Association or for the insufficiency or deficiency in any security to or upon which any of the monies of the Association shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by an error of judgment oroversight on his part, or any other loss, or misfortune whatever which shall happen in the execution of the duties of his office or relation thereto, unless the same happen through his own dishonesty.

XVI. SECRECY CLAUSE.

Secrecy Clause.

100. Every Director, Auditor, Secretary, Officer, servant, agent, accountant or other person employed in the business of the Association shall,

before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Association with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Directors or by any meeting, or by a Court of law, or by the person to whom such matters relate, and except so far as may be necessary in order to comply with any of the provisions contained in These Presents.

SCHEDULE.

(Draft agreement referred to in clause No. 3 (n) of the Memorandum and Articles Nos. 34, 35 & 66 (b) of the Articles of Association)

This Agreement made and entered into this day of 1926 between the All India Co-operative and Charitable Association Ltd., an Association registered under the Mysore Companies Regulation No. VIII of 1917 and having its Registered Office situate in Mysore (hereinafter called 'the said Association') of the one part and Mysore Lingannah Nagannah residing in Old Agrahar, Krishnaraj Mohallah, Mysore (hereinafter called 'the said Mr. M. L. Nagannah') of the other part, WITNESSETH THAT

Whereas it is provided in the Memorandum and Articles of Association of the said Association that the said Mr. M. L. Nagannah shall be the Chief Organizer of the Association and the Directors of the said Association are authorized by the said Articles of Association to execute or cause to be executed on behalf of the Association, this present agreement and whereas the said Association was registered on the day of 1926, it is hereby mutually agreed by and between the parties hereto and their successors and assigns in manner following, that is to say:—

1. The said Mr. M. L. Nagannah, his successors and assigns shall be the Chief Organizers of the said Association for a period of 25 years from the date of the registration of the said Association and thereafter until they of their own free will resign; and it is expressly agreed and declared by and between the parties that the appointment of the said Mr. M. L. Nagannah as such Chief Organizer shall not, during the continuance of this agreement, be revoked or cancelled on any ground or for any reason whatsoever save and except upon his being found guilty of fraud upon the said Association, by a competent Court of Law.

2. The remuneration of the said Mr. M. L. Nagannah, as such Chief Organizer shall be as follows:—

   (a) From and after the commencement of the business of the said Association, an allowance of Rs. 100 per mensem and from and after the date when the capital of the said Association will be fully subscribed, an allowance of Rs. 200 per mensem or such other larger sum as may, from time to time, be fixed by the Directors as Office allowance.

   (b) A commission of 1 per cent on the nominal value of shares and Personal Investment Bonds allotted by the Association on receipt of the application moneys.

   (c) A commission of 2½ per cent. on the interest realized by the Association on its invested Funds and from its bond-holders.

   (d) A commission of 2½ per cent. on the amount of instalments re-paid to the Association by the drawn bondholders on account of the loans granted to them.

3. If the said Association shall, at any time hereafter, carry on any business other than the Personal Investment business, the said Mr. M. L. Nagannah shall be paid such further remuneration as the Directors may deem fit.

4 The said Mr. M. L. Nagnnah shall be at liberty to canvass any business of the Association in any part of the world and not only he, on the business done by his own exertion, shall get full commission and bonus payable to the Chief Agents of the Associa-

tion on such business, apart from that mentioned in clause 2 (b) of this agreement but also none else shall have any right to claim any over-riding commission on the business done by him.

The head-quarters of the said Mr. M. L. Nagannah shall be in the city of Mysore and if he goes outside the Mysore city on account of the business of the Association i. e. either for organizing new Agencies and Branches or for inspecting the old ones, he shall be entitled to single second class railway fare for himself and single third class railway fare for his servant together with a bata of Rs. 5 per day for the number of days he stays outside on account of the business aforesaid.

Subject to the control and supervision of the Directors, the said Mr. M. L. Nagannah shall have the general conduct and management of business and affairs of the Association and shall exercise all the powers vested and to be vested in him either by the Association or by the Directors. He shall have power and authority on behalf of the Association subject to such control and supervision of the Directors, to enter into all contracts and to do all other things, usual, necessary or desirable in the management of the affairs of the Association or in carrying out its objects, and he shall have power to appoint and employ in or for the purposes of the transaction and management of the affairs and business of the Association or otherwise for the purpose thereof, Secretary or Secretaries, Manager or Managers, Officers, clerks and other employees with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise as he shall think fit, and to remove or suspend such Secretaries, Managers, Officers, clerks and other employees as he shall deem necessary.

The said Mr. M. L. Nagannah shall continue as a Director and also one of the members of the Committee of Directors of the Association as long as he continues to be the Chief Organizer of the Association and he shall not be subject to any rotation.

In the event of the said Association being wound up at any time for the purpose and with the object of transferring its business to another company, the said Association shall make it one of the terms and stipulations of their agreement for the transfer of their property and business to such other company as aforesaid that such other company shall appoint the said Mr. M. L. Nagannah to be the Chief Organizer of such new company and with like powers and authorities to the said Mr. M. L. Nagannah and on the same terms and conditions as to remuneration, emoluments and otherwise as are herein contained; it is hereby expressly agreed and declared that save and except with such commission and stipulation as one of the sale and transfer thereof, the said Association shall not sell and transfer their business to any other company.

In witness whereof, the common seal of the All India Co-operative and Charitable Association Ltd. and the hand of the said Mr. M. L. Nagannah hereunto affixed the day, month and year above-written.

mmon seal of the All India Co-operaıaritable Association Ltd. has been ixed and Mr..... ed his signature to this agreement for lf of the said Association pursuant to ın of the Board of Directors passed at f the Board held on.....1926.

)resence of:—

MYSORE PRESS, MYSORE.

Serial No.	Names and occupations of Subscribers.	Addresses of the Subscribers.	No. of shares taken	Nominal value of shares.	Names and addresses of witnesses.

51490

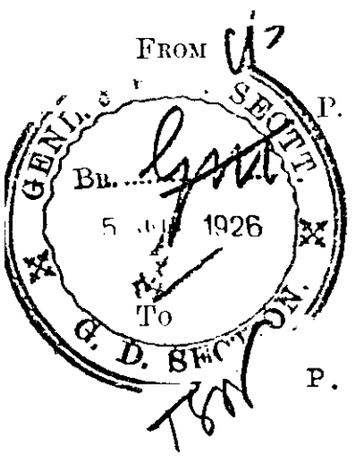
OFFICE OF THE
INSPECTOR-GENERAL OF POLICE IN MYSORE,

Dated, Bangalore, the 4th June *1926*.

CS-1857

FROM

P. F. BOWRING, ESQ., J.P.,
INSPECTOR-GENERAL OF POLICE IN MYSORE,
BANGALORE CITY.



P. G. D'Souza, Esq., B.A., B.L.,
Chief Secretary to the Government of Mysore,
Bangalore.

SIR,

In forwarding herewith in original letter No.C.1736/J. 25-26 dated 22nd May 1926 from the District Magistrate, Mysore expressing his opinion re: the grant of permission to Mr. M.L.Naganna of Mysore to edit, print and publish a Kannada Weekly Newspaper styled "Veera Shiva", I have the honor to state as follows:-

Mr. M.L.Naganna was a Managing Director of what was known as the "Mysore Government Security Life and Marriage Assurance Company Ltd.," but which now goes by the name of the Asiatic Government Security Life Assurance Co., Ltd., During the time of his Managing Directorship in the old Company numerous complaints of cheating were received and as a result of investigation Mr. Naganna and three other Directors were prosecuted under Section 282 of the Mysore Companies Regulation and the case ended in conviction in the Court of the City Magistrate,Mysore. But the conviction was quashed in the Chief Court on a point of law relating to the non-application of section 342 Criminal Procedure Code. Considering Mr. M.L.Naganna's conduct as the Managing Director of the Company, I am of opinion that it is not desirable to grant him permission to conduct a newspaper.

I have the honor to be,
Sir,
Your most obedient servant,

Inspector General of Police.

F. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

, the 191 .

Date of issue 19/7/26

Signed by Sri M Venkatesa Iyengar.

Section CB

File No. 177/2

Serial No. 2 draft 111

No. 204-6

To

Mr. M. L. Nagamma

Ryan

With reference to his application dt 19th April 1926 requesting permission under the Mysore Newspaper Regulation to conduct a weekly newspaper by the name "Veerashiva", Mr. M. L. Nagamma is informed that Govt regret that the permission applied for cannot be granted to him.

G. R. S. 71 6/52]

SUBJECT.....

.....

.....

Diary No. of letter replied to———

General and Revenue Secretariat

Section

File No.

Serial No.

Confl. -

To

The Registrar of Joint Stock Co

Sir,

I am directed to State that

one Rev. M. L. Naganah has State

the District Magistrate, Mysore, in Connec

with his application requesting permissi

to Start a weekly newspaper, that he

proposes to Start an "All India Coop

& Charitable Association Ltd." He has

also published a Memorandum and

Connected.

was a Managing Director y what
became as the "Mysore Govt Security
Life & Marine Assurance Co. Ltd" &
remained in this y his Managing Di
-along with three other Directors,
respectively under Section 202 y the My
Companies Regulation.

A perusal y the Memorandum
as published in connection with the new
prospectus to float may give the
public the impression y I am to
pour therefrom Rs. 2 lakhs which under
what the public [illegible] not be the

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

General and Revenue Secretariat

Confidential.

Dated, Bangalore, 12th July 1926

No. 207/C 8.1925-26

From

P. G. D'SOUZA, Esq., B.A., B.L.,
Chief Secretary to the Government of His Highness the Maharaja of Mysore.

To

B. Ramaswamaiya, Esqr., B.A., B.L.,
Registrar of Joint Stock Companies in Mysore.

Sir,

I am directed to state that one Mr. M.L.Nagannah has stated before the District Magistrate, Mysore, in connection with his application requesting permission to start a weekly newspaper, that he proposes to [illegible] "All India Co-operative and Charitable Association, Ltd. He has already published also a Memorandum in this connection. Mr. Nagannah was a Managing Director of what was known as the "Mysore Government Security Life and Marria Assurance, Co., Ltd.," and during the time of his Managi Directorship he, along with three other Directors, was p secuted under Section 282 of the Mysore Companies Regula tion.

A perusal of the Memorandum published in connec with the new concern shows that the new association may fresh scope for the public being deceived. I am to requ you therefore to kindly watch the undertaking and see th the public are not deluded.

I have the honour to be,
Sir,
Your most obedient servant,

(Draft) for Chief Secretary to Government

MRN.

GOVERNMENT OF MYSORE. 13

C.S. 149

IN REPLY PLEASE REFER TO
No. 454
ENCL.

Office of the Registrar of Joint Stock Companies in Mysore.

CONFIDENTIAL.

Dated, Bangalore...26th July....192 6.

FROM

B. RAMASWAMAIYA, ESQ., B.A., B.L.,
XXXX

Co-operative Societies Regulation. There were some other objectionable clauses also in the Memorandum and Articles of Association, such for instance as, the holding lotteries with a provision that the Government of India or the Government of Mysore shall appoint a bondholders' representative to the Directorate of the Company &c. The company was refused to be registered until these objectionable provisions were either dropped or thoroughly revised. This has since been done.

3. No prospectus on the basis of which the public will be called upon/to apply for shares has yet been received. On receipt it will undergo thorough examination before it is accepted in order to see that the requirements of the Mysore Companies Regulation are fully complied with and that there is nothing likely in the least to mislead the public.

4. The company will also, as suggested, be carefully watched in order to see that it complies with the provisions of the Companies Regulation in all respects and in default thereof necessary action will be taken.

I have the honour to be,

Sir,

Your most obedient servant,

Assistant Commissioner,
For Registrar of Joint
Stock Companies in Mysore,
(Absent from Head Quarters).

Office of the Registrar of
Joint Stock Companies in Mysore,
Bangalore, Dated 8th November 1926.

In continuation of this office letter No.454 dated 26-7-1926 regarding the All-India Mutual Aid and Poor Houses Association, Limited, started by Mr. M. L. Nagannah of Mysore, I beg to bring to the kind notice of Government that the Secretary of the said Association had sent an English and a Kannada copy of the Prospectus dated 10th August 1926 for being filed under Section 92 of the Mysore Companies Regulation. They were found defective and objectionable in some respects and were therefore returned with instructions for necessary rectification. Mr. Nagannah did not comply with the instructions readily but did so after strict insiste by this office, necessitating considerable delay.

The Secretary intimated to this office in his letter dated 18th August 1926 that copies of the Prospectus had already been distributed. He was informed that they should not have been distributed without receiving the necessary acknowledgment from this office and that they should be withdrawn for the necessary corrections being inserted. On learning that even these ~~instructions~~ directions were not readily obeyed, Mr. Nagannah was again informed that the copies already distributed should be withdrawn and must be re-issued only after receipt of intimation of their having been filed in this office. As he pleaded some difficulty in withdrawing them he was asked to send letters (to all persons to whom they had been distributed) cancelling them. He has replied that letters of cancellation have been posted to all the concerned persons on the 27th October 1926. In order to make the matter absolutely clear and to hold Mr. Nagannah responsible, the date of the Prospectuses also has been got altered to 1st November 1926.

There

There is now, I find, no objection to th
iling of the copies as they now stand, the artic
asted at page 4, to which attention is invited,
imply empowering the company to make applications
o Government for the appointment of a bond holder
epresentative and an auditor.

Having regard to the special circumstances r
ating to the applicant Mr. M. L. Nagannah, I have
onsidered it advisable to bring the above facts t
he notice of Government before my filing them. Prospe
opy of the proposed prospectus is submitted herew
request that it may be kindly returned as early
s possible after perusal.

Yours sincerely,

M. Ramaswamiah

To

P. G. D'Souza, Esq., B.A., B.L.,
Chief Secretary to the Government
Mysore.
Bangalore.

SECRETARIAT COUNCIL
16 NOV 1926
3022

2841/ CB. 902

Immédiate and
--Confidential.

Office of the Registrar of
Joint Stock Companies in Mysore,
Bangalore, Dated 15 November 1926.

D.O. No. 888

J. S. ~~5-26-7~~
16-26-1

Dear Sir,

In continuation of my D.O. No.867 dated the 8th instant forwarding a copy of the Prospectus of the All India Mutual Aid and Poor Houses Association, Limited, I enclose herein a copy of letter No.1734 dated the 12th instant together with a copy of its enclosure received from Mr. M. L. Nagannah, the Chief Organizer of the said company, regarding the decision of the Managing Committee to issue copies of the Prospectuses without waiting for the receipt of intimation of their originals having been filed in this office and request that the copy of the Prospectus referred to above may kindly be returned to this office as early as possible for further necessary action.

previous papers have been Submd.
Second Member for perusal on 13.11.26.
by its return be awaited. (The Member
is gone to Mysore & is expected to return
tomorrow.)
Please Called for
him personally
immd

To

P. G. D'Souza, Esq., B.A., B.L.,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

Yours sincerely,
J. Ramaswamiah

Phan to remain
file & returned today
68
19/XI.

Copy of letter No.1734 dated 12th November 1926 from the Chief Organizer, All India Mutual Aid and Poor Houses Association, Ltd., Mysore, to the Registrar of Joint Stock Companies in Mysore, Bangalore.

Your kind letter No.870 dated 9th instant.

In reply, we beg to inform you that on the undersigned placing the matter under reference before the Directors in their meeting held on 6th instant, the Directors on taking expert legal advice were pleased to pass a Resolution on the above said date to the effect that the copies of the Prospectuses should be published without waiting for any intimation from you as they saw that no intimation was received from you in spite of repeated reminders and the Association was put to heavy loss owing to this delay. For your kind information we beg to enclose herein a copy of the Resolution referred to above.

K Ramaswamy

Registrar.

Proceedings of the meeting of the Managing Committee of Directors of the All-India Mutual Aid and Poor Houses Association, Limited, Mysore held on 6th November 1926 at 3 P.M. in the Registered office of the Association at Mysore.

X X X X

2. Read the correspondence ending with the Chief Organizer's letter of date addressed to the Registrar of Joint Stock Companies in Mysore, Bangalore regarding the filing of the Prospectus of the Association.

Resolved unanimously that the Secretary of the Association do not wait for the intimation from the Registrar for his having filed the Prospectus of the Association, but do issue the amended copies of the Prospectus to the Public from this day forwards owing to the fact that not only the said amended copies of the Prospectus have been finally filed with the Registrar on the 1st of this month alone after being amended -- strictly in accordance with the Law and also the instructions of the Registrar, but also the Company Law requires every new Association or company only to file the Prospectus on or before the date of its publication but not wait for any acknowledgment (of the receipt of the said Prospectus) or intimation (for the said prospectus having been filed) from the Registrar for issuing the same to the Public, as provided in Section 92 of the Mysore Companies Regulation VIII of 1917.

X X X

Ramaswamy

"C O P Y" — Registrar.

HR

PUBLIC OFFICES,

Bangalore, 19th November *192* 6.

Dear Mr. Ramaswamaiya,

With reference to your D.O.No.888 of the 15th instant regarding the Prospectus of the All India Mutual Aid and Poor Houses Association, I am sorry to state that some time is necessary for investigating into the matter. In the meantime, you say that the Company is hustling us to return the Prospectus and I should, therefore, like to discuss the matter with you in person.

2. I shall mention a few points the consideration of which requires time. In the first place, I am not sure whether the provision in the Scheme for annual drawings for allowing loans varying from Rs 5,000/- to Rs 1,000/- to one hundred bond-holders is not a form of lottery. One of the clauses of the Prospectus states that every bond-holder or his heir has a chance of getting a loan varying from Rs 5,000/- to Rs 1,000/-. If there are one lakh of bond-holders, it will take one thousand years for all the bond-holders or their heirs to get loans as the annual number of drawings is only one-hundred for one one lakh. This is an important point to be considered in relation to the question as to whether the scheme is not a kind of lottery.

3. In the introductory part of the Prospectus under the heading 'Explanation of the Scheme', it is stated that the entire amount received from the bond-holders "will be entirely and permanently invested in the Governments of Mysore and in India". On page 4, however, under the head "Important privileges and benefits to the bond-holders of the Association", it is stated that "the principal bond amount to be collected from the bond-holders will be entirely and permanently invested in a Government or in Government securities and the said securities will be held for safe custody by an official trustee appointed by either the Government of Mysore or that of India". It will be noticed that there is a difference in referring to the form of investment as stated in the introduction and as on page 4. I do not know what the Company means by

permanent

permanent investments in a Government or in Government securities. So far as I know, neither the Government of Mysore nor the Government of India have any arrangement under which they accept perpetual loans. The only exception of which I am aware is that the Mysore Government accepts endowments for charitable purposes and I am of the decided opinion that this scheme cannot be brought under the category of such endowments. Whatever shceme, in however a small degree, is for the benefits of share-holders, cannot, in any sense, be called a charitable endowment. As there is not the remotest prospect of the Government of Mysore, at any rate, accepting these bond amounts in perpetuity, I do not see how we can permit the Company in making any statement of this kind either in the Prospectus or in the Articles of Association. Then again, reference is made in the Prospectus to an Official Trustee appointed by the Government of Mysore. There is no such officer now and I do not see why we should appoint one for the sake of the Company and hold ourselves responsible for the safe custody of the securities of this Company.

4. Articles 49 and 71 of the Articles of Association, as appended to the copy of the Prospectus, make it obligatory upon the Company to apply to the Government of Mysore to appoint a bond-holder's representative on the Board of Directors and an Auditor for examining its accounts. I do not see there is much protection for the public in making the application to Government obligatory on the Company. The more important point is whether the Government are willing to comply with these requests. It seems to me that it will be inadvisable in the extreme for Government to appoint a Director or an Auditor. The whole scheme is very ingeniously conceived and I fear it has many pit-falls for the unaware share-holder and bond-hol In view of these considerations, I think we should not have any kind of association with the working of the Company which is likely to mislead the public into believing that the transac tions of the Company come under some kind of supervision of

of Government. is undesirable

5. In view of what ~~I have~~ is stated above, it ~~seems to me~~ to be necessary to go into the matter thoroughly and consider what action should be taken to make the Articles of Association and the Prospectus as harmless and as little misleading to the public as they can possibly be made. ~~I, however, find that~~ The Articles of Association however have already been registered and ~~that~~ the alterations in the Articles as well as in the Prospectus, as they now stand, ~~have~~ are stated to have been made as advised by you.

~~6.~~ It ~~will be~~ necessary ~~for us~~ to take legal advice ~~and it would be well if we meet and discuss the matter. I shall, therefore, be obliged if you will kindly~~ see me at any time convenient ~~to you as early as possible~~.

Yours sincerely,

I am to request You to be so good as to discuss the question personally with the Secretary Member at any time convenient to You as early as possible.

Mr

29/11/26

D. O. No. 1690
CS 17725

GENERAL AND REVENUE SECRETARIAT

Bangalore, 19th November

Dear Sir,

With reference to your D.O. No.888 of the 15th instant regarding the Prospectus of the All India Mutual Aid and Poor Houses Association, I am desired to state that some time is necessary for investigating into the matter.

2. I am to mention a few points the consideration of which requires time. In the first place, it is not clear whether the provision in the scheme for annual drawings for allowing loans varying from Rs.5,000/- to Rs.1,000/- to one hundred bond-holders is not a form of lottery. One of the clauses of the Prospectus state that every bond-holder or his heir has a chance of getting a loan varying from Rs.5,000/- to Rs.1,000/-. If there are one lakh of bond-holders, it will take one thousand years for all the bond-holders or their heirs to get loans as the annual number of loans is only one-hundred for one lakh. This is an important point to be considered in relation to the question whether the scheme is really a kind of lottery.

3. In the introductory part of the Prospectus under the heading 'Explanation of the Scheme', it is stated that the entire amount received from the bond-holders "will be entirely and permanently invested in the Governments of Mysore and in India". On page 4, however, under the head "Important privileges and benefits to the bond-holders of the Association", it is stated that "the principal bond amount to be collected from the bond-holders will be entirely and permanently invested in a Government or in Government securities and the said securities will be held for safe custody by an Official Trustee appointed by either the Governmen of Mysore or that of India". It will be noticed that there is a difference in referring to the form of investment as stated in th introduction and as on page 4. It is not known what the Company

means by permanent investments in a Government or in Government securities. Neither the Government of Mysore nor the Government of India have any arrangement under which they accept perpetual loans. The only exception is that the Mysore Government accepts endowments for charitable purposes and this scheme cannot be brought under the category of such endowments. Whatever scheme in however a small degree, is for the benefit of shareholders, cannot be called a charitable endowment. As there is not the remotest prospect of the Government of Mysore, at any rate, accepting these bond amounts in perpetuity, the Company cannot make a statement of this kind either in the Prospectus or in th Articles of Association. Then again, reference is made in the Prospectus to an Official Trustee appointed by the Government of Mysore. There is no such officer now and there is no reason why Government should appoint one for the sake of this Company and hold themselves responsible for the safe custody of its securities.

4. Articles 49 and 71 of the Articles of Association, as appended to the copy of the Prospectus, make it obligatory upon the Company to apply to the Government of Mysore to appoint a bond-holder's representative on the Board of Directors and an Auditor for examining its accounts. There is not much protect to the public in making it obligatory on the Company to apply t Government for making these appointments. The more important point is whether the Government are willing to comply with this request. It is not advisable for Government to appoint either Director or an Auditor. The whole scheme is very ingeniously conceived and it appears to have many pit-falls for unaware bond-holder In view of these considerations, ~~xxxx

5. In view of what is stated above, it is necessary to go into the matter thoroughly and consider what action should be taken to make the Articles of Association and the Prospectus as harmless and as little misleading to the public as they can possibly be made. The Articles of Association, however, have already been registered and the alterations in the Articles as well as in the Prospectus, as they now stand, are also stated to have been made as advised by you. It is necessary to take legal advice.

6. I am to request you to be so good as to discuss the question personally with the Second Member of Council at any time convenient to you as early as possible.

Yours sincerely,

B. Ramaswamaiya, Esqr., B.A., B.L.,

Registrar of Joint Stock Companies, etc.

C.P. 983

Office of the Registrar of
Joint Stock Companies in Mysore.
Bangalore, dated 3rd December 1926.

D.O. No. 920

Dear Sir,

With reference to the correspondence ending with your D.O. No. 1690 dated 19th November 1926 regarding the prospectus of the All India Mutual Aid and poor Houses Association Ltd., I beg to state that Mr. M.L. Nagannah has, as required by sections 103 and 104 of the Mysore Companies Regulation, sent a declaration before commencing business and a Return of allotments of shares made on 6th November 1926 and has asked me to grant the certificate as required by Section 103 (2) of the said Regulation entitling the Association to commence business. I have sent a reply to him stating that no action can be taken on his application until the question relating to the filing of the prospectus is decided.

2. Regarding the last paragraph of your D.O. referred to above, I am collecting the necessary information for the purpose of discussing the question of the prospectus with the Second Member of Council, as desired. I shall ~~have also~~ wait upon him on the 6th instant, or on any other date, at any time as would suit his convenience.

Yours Sincerely,

P. G. D'Souza, Esq., B.A., B.L.,
Chief Secretary to the Government of Mysore,
Bangalore.

G. S. 16-21-2

CONFIDENTIAL.

Office of the Registrar of
Joint Stock Companies in Mysore,
Bangalore, Dated 11th December 1926.

D. O. No. 931
Encl: 1

GEN. & R. 3589 17 DEC. DEVELOPMENT BRANCH.

GS. 1040.

Dear Sir,

In continuation of this office D. O. No. 920 dated 3-12-1926, I enclose herein for the informatic of Government a copy of letter No.1805 dated 6th Decemb 1926 received from Mr. M. L. Nagannah, the Chief organi: of the All-India Mutual Aid and Poor Houses Association Limited, in which he expresses an inclination to give u the venture if the Government are not willing that he should proceed with it.

(2) The statement required by the 2nd Memb at the meeting on the 7th instant is ready and will be submitted in the course of a day or two.

Yours sincerely,

To

P. G. D'Souza, Esq., B.A., B.L.,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore.

Copy of letter No.1805 dated 6th December 1926 from Mr. M. L. Nagannah, Chief Organizer of the All India Mutual Aid and Poor Houses Association, Limite to the Registrar of Joint Stock Companies in Mysore.

Your kind letter No.921 dated 3rd instant.

In reply we beg to inform you that the Directors of the Association believe that in all matters connected with the Registration, Formation and Promotion of Joint Stock Companies in Mysore, both the Registrar and the said Company are to be guided by the Mysore Companies Regulation and the provisions thereof are to be strictly complied with as they are mandatory but not discretionary. So, as mentioned in our previous letter, you could not but file the copies of our Prospectus and also issue the Business Commencement Certificate in compliance with Sections 92 and 103 (2) of the Mysore Companies Regulation No.VIII of 1917 as we have complied with all the provisions mentioned in Sections 93 and 103 (1 of the said Regulation respectively. The Directors are therefore at a loss to understand how the filing of the Prospectus could be deferred and the issue of the Business Commencement Certificate delayed on that ground in the absence of any provision in the Mysore Companies Regulation to show that the filing of the Prospectus is at the discretion of the Registrar thoug it is strictly in accordance with Law.

So the Directors consider that there is nothi ore to be complied with by us according to Law and here cannot be anything in the way for the issue of he Business Commencement Certificate. But, if you hink that there is still something to be complied ith according to law, we will do the same immediately

on hearing from you. In case you consider that there is anything which is morally objectionable, we will be the first persons to rectify ourselves at once. If on the other hand, it is the desire of yourself or of the Government that our Association should be closed whether there is any legal or moral defect or not, the Directors will be very glad to advise the Shareholders to do so -- without any delay as no indigenous concern can thrive without the sympathy and moral support of the Local Government. In case you do not give any heed to our reasonable request and thereby do not issue the Business Commencement Certificate or give us a satisfactory reply, the Directors will have no other alternative than to place the matter before the shareholders in their meeting to be held on the 16th instant to do what they think best in the existing circumstances as the delay in the issue of the Business Commencement certificate for an indefinite length of time will be detrimental to the interests of the Association owing to the fact that the Association will have to meet the establishment charges unnecessarily for no business -- whatsoever. Anyhow, we trust that you will kindly reconsider over the matter and do justice and justice alone.

Begging to be excused for the trouble and thanking you in anticipation.

K Ramaswamy
Registrar.

NPS.

HR

D.O.1

Encls 5

38132

CONFIDENTIAL.

SECOND [illegible] COUNCIL
23 DEC. 1926
No. M.255

29

Office of the Registrar of Joint Stock Companies in Mysore, Bangalore, Dated 22nd December '26

Dear Sir,

8M 23/11

J. S. 16-26-3.

23 M. C.

3891

38266
GEN. & REVENUE DEPT.
DR
27 DEC. 1926

With reference to the personal discussion that was held on the 7th instant about Mr. M. L. Nagannah's company, I beg to submit herewith the marginally noted papers and documents connected with the Company.

1 Lists marked A. B. C.,
Memorandum and Articles of Association of All-India Mutual Aid and Poor Houses Association, Ltd.

(2) From the table of correspondence marked "A" it may be seen that all reasonable care has been taken by me to see that there were no illegal provisions in the Memorandum and Articles of Association.

(3) As regards the scheme of granting loans devised by the organizers, it is submitted that so far as it could be made out from the law and decided cases on the subject of "lotteries" it seemed to me that Mr. Nagannah's scheme did not amount to a lottery. I may mention that a similar scheme of granting loans by drawing lots exists in the Asiatic Government Security Life and Marriage Assurance Co., Ltd., and no objection has been taken thereto, and the scheme is in working effect. And Mr. Nagannah, also, in his letter No.852 dated 23rd September 1926 addressed to the Deputy Commissioner, Mysore District, says as follows:

"In this connection it may not be out of place to mention here that the undersigned on behalf of the Asiatic Government Security Life Assurance Co., Ltd., Mysore, had obtained the opinion of Mr. K. Shankaranarayana Rao, M.A., B.L., Government Advocate, Bangalore about the perfect legality of granting loans without interest by drawings just before the first drawing was held by that company in the year 1923 for the grant of loans to the

the said company has got a scheme for that purpose for the last 4 or 5 years and a drawing is being held by that company once every half year since the year 1923. In addition to that of the Government Advocate the undersigned did take the opinions of many eminent Vakils at Madras all of which were unanimous on the said point. In these circumstances you will see that our scheme is perfectly legal and it is based on soundest possible principles". A copy of the Prospectus of the Globe House Building and Machinery Erection Society, Ltd., filed with the Registrar of Joint Stock Companies, Punjab, containing a scheme for granting loans free of interest by drawing lots is also herewith submitted for kind perusal.

(4) The statement marked "C" shows all the paragraphs in the Memorandum, Articles of Association and the Prospectus, wherein any reference, connection or association with Government is set out. The authorities for all the paragraphs in the Articles and the Prospectus (except 2) are the following clauses in the Memorandum of Association.

3 (c) "To invest perpetually or otherwise the principal amount of bonds, debentures and debenture stock in the Government, Indian or Foreign, or in securities guaranteed by the said Government"

3 (d) "To deposit perpetually or otherwise the Government Securities held by the Association for safe custody with an official Trustee or Trustees if any appointed by the Government or Governments, Indian or Foreign."

3 (e) "To maintain and aid the above said charitable and other institutions with a portion of interest accrued on the funds invested as above in the Government or in the Government securities."

(5) These are not illegal. Moreover the --

the clauses in the Memorandum and Articles of Association of a company bind only the company and its members and do not bind outsiders including Governments. Therefore it will not of course, be obligatory on the part of Government either to permit the company to deposit its money with them or to appoint an official Trustee. On the contrary the companies will be taking great risks by the insertion of such clauses as they make themselves liable to be wound up by the Courts if the objects stated in them are the main objects and if they cannot be -- carried out. The Punjab Registrar of Joint Stock Companies says "It is customary to include in the objects almost every form of activity that mind can conceive". The reason for this would seem to be that company promoters wish to see that the Memorandum covers all the transactions which may be found to become necessary in the course of their company's business and that they may have no need to have to resort to legal advice constantly. Clauses like the following are inserted in England.

"If thought fit to obtain any Act of Parliament dissolving the company and re-incorporating its members as a new company for any of the objects specified in this memdum, or for effecting any other modification in the company's constitution".

"To enter into any arrangements with any (Governments or) authorities (supreme), municipal, local or otherwise, that may seem conducive to the company's objects, or any of them, and to obtain from any such (government or) authority, any rights, privileges, and concessions which the coy may think it desirable to obtain, and to carry out, exercise, and comply with any such arrangements, rights, privileges and concessions."

This clause is frequently used, with more or

or less modification.

(6) Paragraph 3 (c) quoted above does not make it obligatory on the part of the company to invest its bond amounts perpetually or temporarily in the Government. They may be invested, in case they are not allowed to be deposited in the Government, on the Government securities so long as they are available.

In paragraph 3 (d) the words "if any" were got inserted by me after the word "Trustees". Therefore the company will be able to deposit the Government securities with an official Trsutee only if one is appointed by Government. Of course there may be no intention that one should be appointed in the case of this company. The insertion of the word "if any" has practically nullified the effect of the clause though no harm would have resulted in allowing it as it stood before for the reason that I have already stated, namely such clauses do not bind Government. There is also no means legally of preventing them from being inserted.

Paragraph 3 (e) allows the maintenance of charitable associations out of the interest realised on investing the funds in the Government or in the -- Government Securities. This also means that if the Government do not allow the funds to be invested with them, they may be invested on the Government Securities

(7) As regards Articles 49 and 71 also, there be no intention whatsoever that a bond holders' representative or an auditor should be appointed by Government. The Articles as they originally stood read as though it was to be made obligatory on the part of Government to appoint a bond holders' representative and an auditor. As a matter of fact Mr. Nagannah had been asked to omit the Article relating to the bondholders' representative and to modify the Article relating to the Auditor. But as he did not omit the former but only

modified it and as the modified form was not illegal it was allowed to stand. The latter was also got modified on similar lines. As a matter of fact Section 144 (4) of the Companies Regulation provides for the appointment of an auditor by Government on the application of a -- member of a company in case one is not appointed in the annual general meeting. It has been the practice of many companies registered under the Indian Companies Act, 1913 or the Mysore Companies Regulation, 1917 to state the provision in the Articles. As already stated above the Articles 49 and 71 do not bind Government. The applications made under them will have to be considered as mere petitions which may or may not be entertained.

(8) Further, if these provisions had been objected to at the time of registration, Mr. Nagannah might have sent them up in the form of a special resolution and asked me to record them under Section 82 of the Companies Regulation, which it would have been obligatory on my part to comply with.

(9) It is respectfully submitted that the Companies Regulation does not expect the Registrar to protect the interests of the Shareholders (Vide extracts from Bengal and Punjab Reports). His duty is to insure to the public the information which they ought to know. He cannot mould the Memorandum and Articles of Association and -- Prospectuses etc., according to his opinion as to what should or should not be contained in them.

(10) From the list marked "B" it will be seen that every effort has been made to see that the Prospectus conforms to the provisions of the law. In London, the Registrar's practice is to just see that the Prospectus is signed and dated and that it contains the minimum subscription and the Directors' qualification. I have gone much beyond this and examined the facts also.

Originally the following sentence, namely "So, there cannot be any room for the misuse of the funds of the Association or for the interests of the bond holders to suffer any way at any time" appeared in paragraph 7 Page 4 of the Prospectus. As the sanction of Government had not been obtained to the appointment of a bond holders' representative and an auditor Mr. Nagan was asked to omit the sentence quoted above.

(11) Mr. Nagannah has mentioned on page 2 of tl Prospectus that the amount will be permanently invest in the Mysore Government and on page 4 that it will b invested in the Government or Government securities. As a copy of the Memorandum of Association has been attached to the Prospectus and forms part of it, the company has to be taken as doing the one thing or the other.

(12) Moreover what is of greater importance, t Prospectus is only a Share Prospectus, and has been examined as such. When the bond prospectus comes up for registration it will be examined in order to see that the whole bond scheme is described in full, accura ly (as there are some more things to be disclosed). After all, the Directors are responsible for everythir they state in the Prospectus, the object of filing a copy thereof with the Registrar being"to preserve an authentic record of the terms on which the public have been invited to subscribe for shares etc., and to secu that the Directors of the company accept responsibilit for the statements in the Prospectus".

(13) Finally, even if it is held that the sch of granting loans partakes of the nature of a lottery, it will be observed that the Memorandum of Association -- which is the charter of the company and which is the basis of registration of the company is perfectly legal as the clause relating to the grant of loans by

by drawings is general and it is in accord with legal decisions. The detailed scheme occurs only in the Articl of Association which the Directors may be asked not to act upon or to change by passing a special resolution. Mr. Nagannah has in his letters Nos. 1805 dated 6th December 1926 and No.1827 dated 18th December 1926 expressed his willingness to correct anything which is morally objection able or to close the venture. In view of these assurance the Directors may be advised, if necessary, to drop or modify the scheme.

(14) The company has already gone into allotment and the following are some of the responsible, knowing and influential persons who have taken shares:

Rajasilpivisarada Rao Bahadur B. Subba Rao, Retired Chief Engineer.

Lokahitaishi H. Nanjunda Raj Urs, Retired Superintendent of Amrutmahal Department.

Mr. M. Venkatakrishnayya, Member, Legislative Council.

Mr. H. K. Veerabasaviah, B.A., B.L., Munsiff.

Mr. K. Siddaramappa, B.A., Superintendent of Polic Mysore.

Rajakavi Bhushana H. Lingaraj Urs, Palace Muzrai Bakshi, Mysore. Mr. K. Hanumanta Rao, B.A, Retd Asst Commissor

Mr. G. H. Channabasavappa, B.A., B.L., Advocate.

Mr. T. V. Rudrappa, B.A., B.L.,

Mr. S. Sivaswami, B.A., B.L., Pleaders,

Dr. T. S. Siddappa, L.M.S.,

In view of the foregoing circumstances and particularly in view of the revision of the bond-scheme reported in to me that there is no objection to my filing the Prospectus and granting the required certificate of commencement of business. When the Bond Prospectus actually comes up to be filed with modifications as agreed to be introduced by them, the question may be further considered and actior taken as may be found suitable. For the present it seems to me that it may not be legal for me to delay granting the pending applications any longer.

I request the favour of a very early reply.

Yours sincerely,

A. Ramaswamy

To

Rajakaryaprasakta Diwan Bahadur
M. N. Krishna Rao, B.A.,
Second Member of Council,
Bangalore.

Extract from the Report on the Joint Stock Companies Punjab, for 1922-23.

"During the years that I have been Registrar, it has been my policy to say as little as possible on the general administration of companies under the Act in otder to avoid anything that might be taken as discouragement of Joint Stock enterprise. In regard to breaches of the provisions of the Act, the policy has been to warn and teach and so to try to ensure compliance without prosecuting the offenders. I am inclined to think that this leniency has facilitated the formation and continuance of fraudulent concerns, but the responsibil: for these rests with the shareholders rather than with the Registrar; his duty is to ensure to the Public the information which they have a right to know, but the public prefer to regard him as the custodian of their investments and the guardian of their interests".

Extract from the Bengal Report for the year 1924-25

" No investigation has taken place under Section 13 of the Act during the past year. The practice of appealing to the Registrar to intervene in the internal affai of companies incorporated under the Act still continues and it will be sometime before the shareholders can be brought to understand that this office does not exist for such a purpose and that they themselves possess -- rights and powers which they fail or decline to exercise owing on the one hand, to ignorance or on the other, to the expense involved. In one or two cases where the Registrar declined to intervene an appeal mase made to

Government with similar results".

NPS

Registrar.
HR

History of All-India Mutual Aid and Poor Houses Association, Limited.
Papers relating to the registration.

. Naganna's letter dated 22nd May 1926.

Sending the Memorandum and Articles of Association of All-India Co-operative and Charitable Associatio limited, and requesting that the certificate of incorporation may be granted. Also intimating the situation of the Head office and requesting to be informed whether the fees should be paid to thi office or to the Treasury.

s office letter dated 31-5-1926.

Requesting Mr. Naganna to state whether the sanction of Government has been obtained under Section 48 (1) of the Mysore ~~Companies~~ Co-operative Societies Regulation to the use of the words "Co-operative" as part of the name of the Association and if so to send a copy of the Government Order.

Mr. Naganna's letter dated 24th May 1926.

Forwarding a declaration before registration as required by Section 24 (2) of the Mysore Companies Regulation.

Mr. Naganna's letter dated 26-5-1926.

Forwarding a Treasury receipt for the fee required for registering the ~~same~~ Association.

Mr. Naganna's letter received on 31-5-1926.

Stating that he did not know that the use of the word "co-operative" was prohibited, that he had not obtained any permission of Government and that he was inclined to substitute the word "Investment" for the word "Co-operative" and requesting that the documents may kindly be returned.

This office letter dated 7-6-1926.

Returning the Memorandum and Articles of Association and stating as follows:

(1) Name to be changed to All-India Investment and Charitable Association, Ltd.

(2) The words "if any" should be inserted after the word "Trustees" in line 2 Paragraph 3 (d) of the Memo.

(3) Paragraph 49 of the Articles of Association to be omitted as the Association cannot make it obligatory for the Government of India or of Mysore to appoint a bond holders' representative, reserving that the provision should have been included without previous application or sanction. Surprise was expressed at the inclusion of the provision without previous application or sanction.

(4) The later part of paragraph 71 as regards the appointment of an auditor by the Government of India or of Mysore to be modified for the same reason.

(5) Paragraphs 87 to be revised so as to make the amount realised on forfeited shares transferable to the Profit and Loss Account only after the forfeited shares are reissued.

(6) Paragraphs 8 and 92 to be amplified so as to make their meaning clear.

(7) List and consent of Directors to be sent.

(8) Declaration to be executed on 1-8-0 stamp paper and made before a person -- authorised to administer an oath.

(9) The situation of the registered office to be intimated.

(10) Treasury receipt for additional fee to be sent.

Mr. Nagannah's letter dated 7-6-1926.

Reminding and stating that the subscribers to the Memorandum wish to substitute the words "Mutual Benefit" for "co-operative" and not Investment.

This office letter dated 10-6-1926.

Stating that the Memorandum and Articles have been returned and that the words "Mutual Benefit" may be substituted for "Co-operative".

Mr. Nagannah's letter dated 12-6-1926.

Returning the Memorandum and

Articles adding 3 more objects in the former and submitting the list and -- consent of Directors and the Declaration and a Treasury receipt for additional fee and stating that Articles 49 and 71 have been modified in the same way and intimating the situation of the registered office.

This office letter dated 18-6-1926.

(1) One of the fresh objects namely "To hold if necessary lotteries with the permission of the Government and utilize the proceeds thereof for all or any of the above said charitable purposes" to be removed as it is ~~x~~ --- opposed to law.

(As authorisation of a lottery by Government does not legalise it but only exempts the person authorised from -- punishment under the Indian Penal Code.)

(2) Suggesting some modifications in Articles 49 and 71.

Mr. M. L. Nagannah's letter dated 18th June 1926.

Reminder.

This office letter dated 19-6-1926.

Stating that the Memorandum and Articles have been returned.

Mr. Nagannah's letter dated 26-6-1926.

Returning the Memorandum and Articles of Association and requesting that the Incorporation certificate may be issued.

This office letter dated 29-6-1926.

The correct address of the registered office to be given.

2. The Declaration to be corrected and got initialled by the Munsiff.

Mr. Nagannah's letter dated 30-6-1926.

Resubmitting the Declaration and

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and sending the notice of situation of the registered office.

Incorporation certificate given on 8th July 1926.

K Ramaswamy

Registrar of Joint-Stock Companies in Mysore.

Prospectus.

Mr. Nagannah's letter dated 9-8-1926.

Forwarding a Kannada and an English copy of the Prospectus for being filed.

This office letter dated 16-8-1926.

Returning the English copy of the Prospectus and pointing out some omissions in the Bond Scheme.

2. Paragraph 5 on page 4 to be revised by the insertion of the paragraphs in the Articles relating to the appointment of a bond holders' representative and an auditor.

3. The date of agreement with Mr. Nagannah to be given and Paragraph under "Agreement" to be revised so as to permit the inspection of the executed agreement or the granting of a copy thereof.

4. The copy of the Memorandum affixed to the Prospectus to be corrected and signed.

5. The date of the Prospectus to be changed.

This office letter dated 16-8-1926.

Returning the Kannada copy of the Prospectus.

Mr. Nagannah's letter.

Resubmitting the English and Kannada copies of the Prospectus and stating as follows:

The Prospectus is only a share Prospectus and that when Bond Prospectus are issued the whole Bond -- scheme would be described in full.

It is not necessary that the Articles themselves should be reproduced and it is enough if their purport is given.

The date of the agreement is furnished. It is not necessary to revise the paragraph under "Agreement". The copy of the Memorandum has been prepared as required by the Regulation. As a good number of copies of the Prospectus have already been distributed the old date may be allow to be retained.

This office letter dated 31-8-1926.

Returning the Prospectus and stating as follows:

As the sanction of Government has not been obtained to the appointment of a bondholders' representative and an auditor the last sentence of paragraph 5 page 4 namely

"So there cannot be any room for the misuse of the funds of the Association or for the interests of the Bond holders to suffer in any way at any time" should be removed if the

	relative Articles cannot be substituted. The original agreement should be made available for inspection or for the grant of copy thereof. The para to be revised suitably. A complete copy of the Memorandum to be attached to the Prospectus. Copies of the Prospectus should not have been circulated without receiving the necessary acknowledgment from this office. They should be withdrawn for the necessary corrections being made therein. The date of the Prospectus to be changed to the date on which they will be received back in this office.
r. Nagannah's letter dated 30-8-1926.	Reminder.
his office letter dated 2-9-1926.	Stating that the Prospectus have been returned.
r. Nagannah's letter dated 3rd September 1926.	Resubmitting the Prospectus and stating as follows: Articles 49 and 71 have been inserted in order to respect my wishes and that the paragraph under "Agreement" has been modified in order to satisfy the technical objection raised by me though there was absolutely no difference -- between the draft copy and the executed agreement. The copy of the Memorandum has been authenticated as a true copy by the Directors and the date of the Prospectus has been altered to 6th instant.
his office letter dated 18-9-1926.	Returning the English and Kannada copies of the Prospectus and stating as follows: Articles 49 and 71 have been inserted at the end of the Prospectus without indicating any connection to the body of the Prospectus. As they have however been inserted the 2nd and 3rd sentences of para 5 on page 4 may be struck off and a modified sentence stating that applications will be made to Government as per Articles of Association inserted. The date of the Prospectus may be changed.
. Nagannah's letter ated 19-9-1926.	Complaining of delay in filing the Proppectus.
is office letter dated 22-9-1926.	Stating that copies of the Prospectus have been returned.
. Nagannah's letter dated 22-9-1926.	Stating as follows: Slips containing the Articles have been pasted by the side of the paragraph A statement at the end of the Paragraph has been made indicating the correction.

	Requesting that the acknowledgment may be sent very early.
'his office letter dated 29-9-1926.	Returning the Prospectuses and stating that Paragraphs 5 on page 4 should be revised as per instructions of this office.
npany Secretary's ~~Mr. Nagannah's~~ letter dated 30th September 1926.	Resubmitting the Prospectuses omitting the objected portion and changing the date.
Mr. Nagannah's letter dated 25th September 1926.	Sending a Return of allotments of shares and a declaration before commencing business and requesting that the certificate of commencement of business may be granted and complaining of delay in registering the Company and the Prospectus.
his office letter dated 2/4-10-1926.	Returning the Return of allotments and the Declaration and stating as follows:
	Copies of the Prospectuses should not have been issued as intimated in ~~this~~ this office letter dated 31-8-1926 without receiving the acknowledgment from ~~this~~ this office. They should be withdrawn and issued only after the Prospectuses are -- filed in this office and the necessary intimation of their having been filed has been received by him. As regards the delay -- complained of, delays are inevetable in cases where the documents are not prepared in accordance with the law. The examination is done in the interests of the company promoters themselves as it saves them from future troubles and appearance in Courts.
his office letter dated 11-10-1926.	Requesting that the names addresses and occupations of the persons to whom the prospectuses have already been distributed may be sent and that the Registrar may be informed whether they have been withdrawn and if so the date or dates on which they were withdrawn.
npany Secretary's ~~Mr. Nagannah's~~ letter dated 9-10-1926.	Stating that amended Prospectuses have been sent only to 26 persons from whom applications for shares have been received.
Mr. Nagannah's letter dated 15-10-1926.	Sending a list of persons to whom the original Prospectuses were sent and stating that it is not possible to withdraw them as it is neither possible that the receipents have ~~neither~~ preserved them nor ~~is~~ is it likely that they will take the trouble of sending them by post at their own cost.
This office letter dated 23-10-1926.	Stating that if it is not possible to withdraw them, he may send a letter to all the persons to whom they have been sent stating that they have been cancelled

Mr. Nagannah's letter dated 24th October 1926.	Requesting that the necessary intimation of the Prospectus having been filed may be sent.
-do- dated 25th October 1926.	Stating that arrangements have been made for the despatch of the cancellation letters.
-do- dated 27th October 1926.	Stating that the cancellation notices have been posted to all the persons to whom Prospectuses have been sent and sending a copy of letter of cancellation.
This office letter dated 29-10-1926.	Returning the English and Kannada copies of the Prospectuses and requesting them to change the date thereof. ~~to procure the memorandum and copies of the Prospectus have been cancelled.~~
Telegram dated 29-10-1926, from Mr. Nagannah.	For the intimation of having filed the Prospectuses.
Mr. Nagannah's letter dated 29-10-1926.	Compalaining of delay in filing the Prospectuses.
Mr. Nagannah's letter dated 31-10-1926.	Forwarding authenticated copies of the Memorandum to be attached to the Prospectuses.
-do- dated 30th October 1926.	Resubmitting Prospectuses with the date changed.
Mr. Nagannah's ~~letter dated~~ Telegram dated 5-11-1926.	For the intimation of having filed the Prospectuses.
-do- letter dated 6-11-1926.	Complaining of delay in sending the intimation.
This office D. O. dated 8-11-1926 to the Chief Secretary to Government.	Forwarding the Prospectus.
This office letter to Mr. Nagannah *dated 9.11.26*	Stating that the question of filing the Prospectuses is receiving attention and the receipt of intimation of such filing should be awaited.
Mr. Nagannah's letter dated 12th November 1926.	Stating that the Directors passed a resolution on the 6th November 1926 stating that the Prospectuses might be issued without waiting for any intimation from the Registrar.
This office D.O. No.888 ~~dated~~ dated 15-11-1926 to the Chief Secretary to Govt.	Forwarding a copy of Mr. Nagannah's letter together with a copy of its enclosure.
Chief Secretary's D.O. dated 19th November 1926.	About the Prospectus.
Mr. Nagannah's letter dated 25th November 1926.	Stating that the District Magistrate, Mysore, asked him to close the company as the Scheme of granting loans amounted to a lottery and told him that he would be prosecuted by Government and forwarding a copy of his letter addressed to the District Magistrate in September

representing that his scheme was not a lottery.

Mr. Nagannah's letter dated 27th Nov.1926. Stating that if he is suspected without reason, his feelings would be wounded and that he is open for correctio if there is anything wrong.

Mr. Nagannah's letter dated 30-11-1926. Forwarding a Return of allotments a a declaration before commencing business requesting that the certificate to commen business may be granted.

This Office letter dated 3-12-1926. Stating that no action can be taken on his application unt the question relating to the filing of Pr pectuses decided by this office.

This Office D.O. dated 3-12-1926 to the Chief Secretary. Informing that a reply has been sen to Mr. Nagannah stating that no actio can be taken on his application until question relating to the filing of th Prospectus is decided.

Mr. Nagannah's letter dated 6-12-1926. Both the Registrar and Companies are to be guided by the Companies Re lation. If there is anything morall objectionable they will be the first persons to rectify at once. If on t other hand it is the desire of Govern ment or of the Registrar that the -- Company should be closed whether ther is any legal or moral defect or not, Directors will be glad to advise the Shareholders to do so. The delay in the issue of the Business Commencemen certificate will be detrimental to th interests of the company.

This office D.O. dated 11-12-1926 to the Chief Secretary. Forwarding a copy of Mr. Nagann letter.

Mr. Nagannah's telegram dated 16-12-1926. Requesting to be informed as to when the Business Commencement Certif cate may be expected.

Mr. Nagannah's letter dated 16-12-1926. Confirming his telegram.

Mr. Nagannah's letter dated 18-12-1926. Forwarding certain resolutions passed by the shareholders, stating that an extra.ordinary resolution has been passed for distributing 50 per c of the net profits among the bond hol who will not have got loans and requ ing that the certificate to Commence business may be granted.

This Office D. O. dated 22-12-1926. Forwardin a copy of Mr. Nagannah's letter and of its enclosur

to Chief Secretary to Government.

Ramaswamy

Registrar.

Statement showing the several provisions in the Memorandu and Articles of Association and the Prospectus in which the association ~~xxx~~ or connection with Government is set

---

Memorandum of Association.

3 (c) Takes power to invest money perpetually or otherwise in the Indian or Foreign Governments or Securities guaranteed by the said Governments.

3 (d) X Takes power to deposit perpetually or otherwise Government Securities held by the Company with an official Trustee or Trustees if any appointed by the Indian or Foreign Governments.

3(e) Takes power to maintain charitable institut with a portion of the interest accrued on the fund invested in the Government or Government securitie

ARTICLES OF ASSOCIATION.

Paragraph 12 (Example) Reference is made to the investment of bond amounts in the Government or securities.

Paragraph 27 Refers to the lien of Bond holders the funds invested in the Government of a Province or on the securities guaranteed by the said Govern ment.

Paragraph 41 Refers to endorsement of Government securities and orders for payment of interest accrued on Government securities.

Paragraph 49 XX Refers to the application by the Directors to the Government of India or that of Mysore for the appointment of a Bond holders' representative.

Paragraph 66 (e) Refers to the registration of the Association in other countries.

Paragraph 66 (t) Empowers the Directors to invest th funds of the Association in any Government Securities, to vary such investments etc.

Paragraph 71 XXX Refers to the application by the Directors to the Government of Mysore for the appointment of an auditor.

Paragraph 93 XXX Refers to the investment ~~in the~~ of the personal investment funds perpetually in the Government of Mysore or in India or Foreign Governments. It also says that if no Government is willing to receive the above funds as perpetual depos at 6 per cent interest per annum the funds should be invested in the securities guaranteed by the said Governments.

Paragraph 94 Refers to the holding of the Government securities purchased by the Association by an official Trustee or Trustees appointed by the -- Mysore Government or India or Foreign Governments or both.

Paragraph 95. Refers to the deposit of the Government securities purchased by the Association with the Association's Bankers till the Official Trustee or Trustees are appointed by Government.

Paragraph 96

Refers to the investment of funds collected in a Province in the Government of the Province or on the securities guarante by the said Governments and to the holding of the securities by an official Trustee.

PROSPECTUS.

Paragraph 4 Page 2.

Refers to the investment of funds permanently in the Government of Mysore and that of India.

Under Example it is stated that the funds are going to be invested in the Govern-ment.

Paragraph 5 Page 4.

Says that the Bond amount will be entirely and permanently invested in the Government or in the Government Securities and the said Securities will be held for safe custody by an official Trustee appointed by the Government of Mysore or that of India.

Also says that applications will be made to Government for the appointment of a Bond Honders' representative and an auditor.

Paragraph 6 Page 4.

Refers to Governments lasting as lor as the world exists and to the safety of the f funds of the Association.

(A copy of Memorandum of Associatior has been attached to the Prospectus and forms part of it)

Ramaswamy

Registrar.

This Prospectus has been filed with the Registrar Joint Stock Companies Punjab Lahore.

THE
Globe House Building & Machinery Erection Society Ltd., Registered Head Office "Shirman Villa" Inside Amritsari Gate-Ferozepore City.

Registered under the Indian Companies Act VII of 1913 on 13th July 1926.

Authorised Capital — Rs. 10,00,000.
Divided into 10,000 shares of Rs. 100/- each.

PAYABLE AS FOLLOWS:—

Rs. 5/- only per share with application.
Rs. 5/- ,, ,, ,, on allotment.

Balance to be called up at the discretion of the Directors but not earlier than three months from the previous call and not more than Rs 5/- per share at a time.

Directors.

1. S. Dhyan Singh B.A. LL.B, Pleader Ferozepore City.
2. Mr. P. L. Sharma; Mechanical and Electrical Engineer Asstt. Supdt. Power House Nepal.
3. S. Jawahar Singh, Land Lord and Inamidar V. Baring Khera District Ferozepore.
4. Mr. C. L. Prabhakar; Proprietor, M/S Shirman & Co., Ferozepore City.

Auditors.

Messrs Chatrath & Co., Mcleod Road, Lahore.

Bankers.

The Imperial Bank of India Ferozepore.

The Punjab National Bank Ltd., Ferozepore City.

Directors Qualifications and their Remuniration.

Art. 103 The number of Directors shall not be less than three nor more than five besides the Managing Director.

Art. 105 The Qualifications of a Director elected by the share Holders shall be his holding and continuing to hold during his continuance in office at least fifty shares in the Society Registered in his name and the remuniration of every Director shall be from Rs 10/-/- to Rs 30/-/- as the Directors may fix from time to time for every meeting of the Board attended by them or him respectively. A first Director may act before acquiring his qualifications.

Minimum subscription on which the Directors shall proceed to allotment shall be when at least 300 shares have been subscribed.

Preliminary Expenses:—The Preliminary expenses payable by the Society are estimated not to exceed Rs. 5,000.

No Promotion money has been or will be paid.

No shares have been or will be issued otherwise than for cash.

Mr. C. L. Prabhakar has been appointed Managing Director of the Society in view of the invaluable services rendered by him at a very great cost of time and energy in the formation of these unique schemes for which he deserves a very great credit on the terms and conditions of the agreement entered into by the said Mr. C. L. Prabhakar and the Society from the date of Registration. Still it is to his great sacrifice that the said Mr. C. L. Prabhakar shall not receive any monthly salary for his acting as Managing Diretor of the Society for the first two years but he shall get commission @ Re 1/- per share on all the shares of the Society he subscribes or procures for subscription directly or indirectly.

The amount of commission so far payable to him comes to Rs. nil.

Application for shares shall be made upon the Form accompanying the Prospectus and sent to the Registered office of the Society at Ferozepore City together with the amount payable with application. Proforma Applications received up to date of filing this prospectus have been taken to have been formally made. Failure to pay future instalments on shares alloted will render the previous payments liable to forfeiture and will be subject to other consequences as mentioned in the Articles of Association.

Shares. Under articles of Association of the Society each member is to have one vote in respect of every share held by him at a poll if present in person; one vote on show of hands for every member present in person.

Special Privileges of Share Holders.

Art: 165. Besides the Shares in profit the Share Holders shall have the special privileges of "Free Loan Benefit" of Rs. 1000/- repayable in 20 years without interest per each share held by him provided the amount paid up against each share is not less than 50% of the value of the share in advance of the call by the Society.

Art. 166. The Free loan shall be granted to the Share Holders as decided by a general drawing held half Yearly for the purpose. There shall be one number of Free Loan Benefit alloted per share as provided above.

The number which is once drawn shall not be included in the drawing again.

167. A Mortuary Bonus, unless the Capital has been fully called up, shall be paid to the widow, till her death, of such Share Holders as have paid in full the total value of their shares in advance of the call in case they die early on the following scales:—

10 fully paid up shares Rs. 8 per mensem.
15 „ „ „ „ „ 12 „ „
20 „ „ „ „ „ 16 „ „
25 „ „ „ „ „ 20 „ „
and so on.....

subject to a minimum of ten fully paid up shares.

168. No such Bonus shall be allowed for any fraction of 5 shares.

169. The privilege of Mortuary Bonus shall be given to the widow till her death of such share holders who have held not less than 10 fully paid up shares for a period of not less than five years.

170. Such Mortuary Bonus may be payable in the absence of the widow to the eldest male, orphan, for the support of the family of the deceased share holder till he is of major age and in case of the only female orphan such Bonus shall be paid for a period not more than five years, which shall accumilate with the Society to be utilised for the purpose of her marriage and shall be paid on three month's notice before such marriage along with three per cent rate of compound interest on yearly basis.

171. Unless otherwise decided by the Board no Mortuary Bonus shall be allowable in the case of Joint holders of the shares.

172. In case of a female share holder, [illegible] allowed except when the share Holder herself is a widow, in which case the Mortuary Bonus shall be allowable as provided in Article 170.

173. All such transferred shares where the Mortuary Bonus has been paid to the widows or orphans of the previous holders of the shares, shall not have the privileges of Mortuary Bonus anymore.

Inspection of Document.

Copies of Memorandum and Articles of Association etc., can be inspected at the Registered Office of the Society at any time during business hours on any working day of the Society.

Memorandum.

The objects for which the Society has been established are detailed in the memorandum of association and are summarised as under.

1. The name of the Society is "The Globe House Building and Machinery Erection Society Ltd."

2. Registered office of the Society will be situate at Ferozepore City in the Province of The Punjab

3. The objects for which the Society is established are :—

(*a*). To carry on the bussiness of House Purchase, erect or sell Houses or land for private individuals, firms, bodies, or corporations in any part of India on long term Hire purchase system or to advance as loan on the Joint security of an immoveable property and Life Policy of any Company and to erect machinery on long term Hire Purchase system for Private individuals, Firms, body or corporation in any part of India on the terms and conditions to be determined by the Board.

(*b*). To carry on all or any of the following bussiness namely, Bankers, Builders, Manufacturers, Contractors, Auctioneers, Commission Agents, Order Suppliers and dealers in materials used in Machinery and Engineery Structures, such as stones, bricks, lime, timber, iron and foundry works.

(*c*). To erect, construct, lay down, enlarge, alter, maintain Buildings Works and Machinery necessary or convenient for the Society's bussiness in any part of the wiorld.

(*d*). To invest a fixed percentage of the funds of the Society only in such securities as are guaranteed by the Government and also to lend monies to Policy Holders of any Company from such funds as may be especially provided for this purpose on the Security of the immoveable property of such Policy Holders and of any Company's Policies on such terms as may from time to time be determined upon by the Board.

(*e*). Te effect as Agents for Insurance Companies for insurance of every kind and against every contingency ; for any other bussiness concern, private individuals, bodies or corporations.

Subscribers to Memorandum.

1.	Jawahar Singh	Jagirdar Land Lord V. Baring Khera (Ferozepore)	50
2.	Jhanda Singh Alim	Teacher Dev Samaj High School Lahore	2
3.	Dhyan Singh Maan	Pleader Ferozepore City	10
4.	Govardhan Lal Kochhar	Accountant M/S Shirman & Co., Ferozepore City	2
5.	C. L. Prabhakar	Banker, Proprietor M/S Shirman & Co, Ferozepore City	50
6.	Munshi Ram Kapil	Trader Proprietor M/S Munshi Ram Jagan Nath Ferozepore City	1

7. Anand Prakash — Manager M/S Shirman & Co., Ferozepore City

8. Chanan Singh Maan — Landlord V. Baho Kalan Dist. Ferozepor

General.

1. The Directors of the Society have been impressed by the all-demand of the Public and that of the country at large for having sanit and commodious houses for themselves on HIRE PURCHASE SYSTEM paying only a reasonable rent for a certain period then become House Proj etor after the term of lease a facility not hither to been obtainable.

At the same time there is an all ronud cry for the **Industrial** devel ment of the country, but the same has neither been achieved by the Jo Stock Companies nor by the private enterprise on account of the financ difficulties as well as unsatisfactory management. But this Society thus the introduction of its wonderful schemes, means to undertake to finance experienced industrial experts in erecting Machinery of all description a then allow them to pay only a reasonable rate of lease for a certain peri and then become Factory owner after the term of lease.

Last but not the least, is the necessity for the country to have her sc trained in different kinds of Art and Industry for the economic uplift of t Country. The Society therefore means to introduce a Scheme of advanci money to deserving students who intend to carry on their Higher educati either in India or abroad and then to offer them the facility of repayment easy instalments, which shall be a great boon both to the individual as w as to the country

The Directors therefore hope that this venture will be welcome to the peer and peasant alike and they shall feel highly obliged if the publ lend their whole hearted co-operation in making the Society a success, whi shall not doubt be a great step in furthering the cause of the country.

1. Sd. Jawahar Singh.Director,
2. Sd. Dhyan Singh Maan Direct
3. Sd. C. L Prabhakar Direetor.
4. Sd. P. L Sharma Director.

Dated 23-7-26.

(Space for Tearing.)

Form of application for Shares.

To

THE MANAGING DIRECTOR,
The Globe House Building & Machinery
Erection Society Limited.
FEROZEPORE CITY

DEAR SIR,

I beg to apply herewith for _____ Shares o Rs. 100/-/- each in the Globe House Building & Machinery Erection Socie Limited. I have to day remitted by money order/Cheque or/ G. C. Note Rs._____ at Rupee five per share of the amount of _____ Shares. I hereby agree that I shall further pay Rs. 5/-/- per share on allot ment and shall be bound by the rules and decision of the Directors, and th Articles of the Society and shall take as many Shares out of the numbe applied for as the Directors may, in their discretion, allot to me; and shal duly pay all the calls that may be made, from time to time by the Director of the Society.

I remain etc.,

Station _____ } *Signatures of applicant.*

Dated _____ 19 . } *Full Address* _____

The MUIR Printing Works Ferozepore Cantt.

GEN. & REVENUE DEPTT.
3984
31 DEC. 1926
DEVELOPMENT BRANCH.

CONFIDENTIAL.

D.O.No.983 Sec.2

Office of the Registrar of
Joint Stock Companies in Mysore,
Bangalore, Dated 22nd December 1926.

J. S. 16-26-4

Dear Sir,

3588

In continuation of this office D. O. No.931 dated 11th December 1926, I enclose herein for the information of Government a copy of letter No.1827 dated 18th December 1926 together with a copy of its enclosure received from Mr. M. L. Nagannah, the Chief organizer of the All-India Mutual Aid and Poor Houses Association, Ltd.

Yours sincerely,

A Ramaswamy

To

P. G. D'Souza, Esq., B.A., B.L.,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

Copy of letter No.1827 dated 18th December 1926 from Mr. M. L. Nagannah, the Chief Organizer of the All-India Mutual Aid and Poor Houses Association, Ltd., Mysore, to the Registrar of Joint Stock Companies in Mysore, Bangalore.

As mentioned in the latter part of our letter No.1805 dated 6th instant, we had to place the whole correspondence that took place between the Association and yourself from the very beginning up-to that date before the shareholders assembled on the 16th idem as x we did not receive either the business commencement certificate or any reply thereto in spite of our wire sent to you on 16th morning. For your kind information, we are sending herewith a copy of the resolution passed by the Shareholders and we beg to request you to kindly issue the Business Commencement certificate immediately as we have duly complied with all the requirements of Law and the undue delay in the issue of the said business commencement certificate is -- putting the Association to a heavy loss.

As explained in our letter addressed to the District Magistrate, Mysore District (a copy of which was submitted to you with this office letter No.1751 dated 25th November 1926) our scheme even as it is does never amount to a lottery. In order to make our scheme more beneficial to the investors, the shareholders have passed a resolution in their Extra-ordinary general meeting held on the 16th of this month to the effect that those bondholders who will not have got loans shall be entitled to 50 per cent of the net -- profits of the Association. You will therefore see that the only criticisum that was levelled against our scheme was that the Bondholders who do not get loans will be losers and those that get loans will be gainers

and there will be no room for such criticisum now as the Bondholders will be entitled to either loans or profits as alternative benefits.

Further even if it is assumed for argument sake that our scheme is illegal as considered by the Government, this has absolutely nothing to do with either the filing of our share prospectus or the issue of the Business Commencement Certificate as the legality of our scheme is to be questioned only when we issue the Bond Prospectus and thereby actually launch out our scheme. The object of publishing the share prospectus is to sell only shares but not to do any sort of business. If the shareholders are satisfied that the scheme which may be launched out by the Association ~~are~~ is really illegal, they cannot but revise it to make it legal lest they should take the consequence. In any way, we trust that you will kindly take the sympathetic view of the whole matter and issue the Business Commencement Certificate immediately without any further delay.

Begging to be excused ~~kx~~ for the trouble and thanking you in anticipation.

"C O P Y"

Ramaswamy

NPS. REGISTRAR.

HR

Proceedings of the emergent meeting of the Shareholders of the All-India Mutual Aid and Poor Houses Association, Ltd., held at 6 P.M. on Thursday the 16th December 1926 at the Registered office of the Association, Mysore.

Read correspondence ending with letter No.1805 dated 6/8th December 1926 of the Chief Organizer addressed to the Registrar of Joint Stock Companies in Mysore, Bangalore.

This Meeting records with deep regret that undue delay caused by the Registrar in the issue of the Business Commencement Certificate though all the requirements of law have been duly complied with and resolves that the said Registrar be requested again to issue the Business Commencement Certificate immediately as any further delay will be detrimental to the interests of the Association.

This Meeting further resolves that in case the Registrar will not be pleased to issue the Business Commencement Certificate before the 31st of December 1926 only such steps as are necessary for obtaining the Business Commencement Certificate shall be taken by the Directors but also a deputation consisting of the following shareholders do wait upon both the Dewan Sahib and His Highness the Maharaja of Mysore for granting all possible facilities and privileges which the Association is in need

(1) Rajasilpi Visharada Rao Bahadur B. Subba Rao, L.C.E., Retired Chief Engineer, Mysore.
(2) Lokahitaishi H. Nanjundaraj Ura, Esq., Retired Superintendent, Amrut Mahal Departments, Mysore.
(3) Rajakavi Bhushana H. Lingaraj Urs, Esq., Palace Muzrai Bakshi, Mysore.
(4) M. Venkatakrishnayya, Esq., Member, Legislative Council, Mysore.
(5) K. Hanumantha Rao, Esq., B.A., Retired Assistant Commissioner, Mysore.
(6) Dr. T. S. Siddappa, L.M.S., Retired District Medical Officer, Mysore.
(7) C. H. Channabasavappa, Esq., B.A., B.L., Chief Court Advocate, Mysore

(8) Dr. A. J. Ram, L.M.S., M.D. (E.H),
Physician and Surgeon, Mysore.

(9) P. Subbaraya Sastry, Esq., M.A., &c.,
Principal, Champion Metropolitan College,
Mysore.

(10) M. L. Nagannah, Esq.,
Founder and Retired Managing Director of the
Asiatic Government Security Life Assurance
Co., Ltd., Bangalore.

X X X

"C O P Y"

Registrar.

HR

R. S. III—3]

ROUTINE NOTES.

To be used only for notes, requisitions, etc., not intended for permanent record.]

M: Mr. M.L. Nagaraj Ur

CONFIDENTIAL.

4021

SECRETARIAT

DEVELOPMENT BRANCH.

D.O. No. 998

OFFICE OF THE REGISTRAR OF JOINT STOCK COMPANIES IN MYSORE

Bangalore 4th January 1927

J. S. 16-26-5

8/1.
4/1.
Dec 7
3891

Dear Sir,

In continuation of Mr. B. Ramaswamaiya's D. O. letter No.984 dated 22nd/23rd December 1926 addressed to the Second Member of Council regarding the All-India Mutual Aid and Poor Houses Association, Limited, I beg to bring to the kind notice of Government that the said company has made further allotments of shares from 1st December [redacted] to 25th December, 1926 and the relative return therefor was received in this office yesterday for being filed under Section 104 (1) of the Mysore Companies Regulation. The total number of shares allotted during the said dates

IMMEDIATE AND CONFIDENTIAL.

Office of the Registrar of
Joint Stock Companies in Mysore,
Bangalore, Dated 15th January 1927.

D.O. No. 1022

GEN. & REV. SECRETARIAT
D 4236
15 JAN. 1927
DEVELOPMENT BRANCH.

Dear Sir,

In continuation of this office D.O. No.998 dated the 4th instant, I beg to bring to the kind notice of Government that Mr. M. L. Nagannah, the Chief organizer of the All India Mutual Aid and Poor Houses Association, Ltd., has forwarded with his letter No. 1923 dated 10/11th January 1927 an English and Kannada copy of a revised and combined Share and Bond Prospectus dated 12th instant, a copy of special resolutions making certain changes in the existing Articles of Association and a notice of change in the Directorate of the Association.

(2) As Section 92 (2) of the Mysore Companies Regulation allows the publication of a prospectus on the day a copy thereof is filed with me and as Mr. Nagannah in paragraph 2 of his letter referred to above has stated that "As the Directors have decided in their meeting held on the 7th instant that the offer of the bonds (which are debentures) of the Association should also be made to the public for subscription from the 12th of this month" and as the copies of the prospectuses were received in this office on the 12th instant and bear the same date, it is possible that Mr. Nagannah has gone to the length of publishing the Prospectuses without waiting for the receipt of the intimation from this office of their having been filed. But I have to examine the copies of the prospectuses and this cannot be done without the Memorandum and Articles of Association ~~submx~~ submitted to the Second Member with my D. O. No.984 dated 22nd/23rd December 1926 and without knowing the views of

views of Government on the loan scheme. In addition to any legal objections that might have to be raised, I intend raising objection to the statements he has made without the sanction of Government about the investment of funds in Government and the holding of securities by an Official Trustee appointed by Government etc., etc., and and return the copies of the Prospectuses and watch the further move of Mr. Nagannah in the matter. For the present I have informed Mr. Nagannah that the Prospectuses should not be published without receiving the intimation of the copies thereof having been filed in this office.

(3) A copy of the Special resolutions referred to above is also herein enclosed. It will be seen from a perusal thereof that the loan scheme is modified by the distribution of 50 per cent of the net profits of the Association among the Bond holders who have not drawn loans. The names of Governments are again mentioned in Resolutions 3 and 6 (i.e., Sections 66 (a) and 93). As I have already stated in my D. O. No.984 dated 22nd/23rd December 1926, these clauses do not bind any Government and they must be taken for what they are worth. It is also obligatory on my part to record the resolutions under Section 82 and I cannot therefore object to them. I, however, intend warning Mr. Nagannah that there is absolutely no use in inserting such clauses without the -- sanction of Government and that the free use by him of the name of Government for all purposes he conceives should be put a stop to as it might mislead the ignorant public and prove detrimental to

to the interests of the Association. This will receive further consideration at my hands and a copy of the letter that will be sent to Mr. Nagannah will be submitted to Government.

(4) In place of the 5 Directors whose names have been printed on the Prospectus already submitted to Government, there are now only four, Mr. ~~Sirsi~~ Sirsi Gurushantha Sastry, Palace Asthan Vidvan, having resigned.

(5) Mr. Nagannah has also sent another letter (a copy of which is herein enclosed) in which he says that he will take legal steps if the certificate of commencement of business is not granted before the 15th instant.

(6) I request the favour of very early orders on my D. O. No.984 dated 22nd /23rd December 1926.

Yours sincerely,

K Ramaswamy

To

P. G. D'Souza, Esq., B.A., B.L.,
Chief Secretary to the Government of
His Highnessthe Maharaja of Mysore.

Asst Secretariat
15/1/27

ALL-INDIA MUTUAL AID & POOR HOUSES ASSOCIATION LTD.

Registered Office: Mysore (S. India).

Notice.

The under-noted Articles have been incorporated after sanction by the Shareholders of the Association in their extra-ordinary and confirmatory General meetings held on 16th December 1926 and 7th January 1927 respectively. Out of the following articles, Articles 17 (c), 58 (a), 66 (a), and 89 (a) have been freshly added to the existing Articles of Association whereas the other two Articles have been substituted for the existing Articles of the same numbers given to them.

8th January 1927.
Mysore.

Sd/- K. R. Nagappa
Secretary.

17 (c) 50% of the net profits of the Association shall be distributed among all the existing non-drawn Bondholders once in every five years proportionate to the period their bonds will have been in force during the said five years.

58 (a) The first Members of the Managing Committee of Directors shall not be subject to any rotation just as other Directors but their office as Directors shall be permanent unless they are disqualified to be Directors.

66 (a) The Directors may if they deem it necessary organize a Provincial Board in any Province and get the funds collected in that Province invested in the respective Provincial Government even before 2000 Bondholders are secured in the said Province. The Directors may, if they deem it necessary organize a separate Provincial Board for a particular community and the funds relating to that community shall be invested in any Government the said Provincial Board recommends.

85. The surplus amount of interest on the Bondholders' Fund (after transferring the prescribed amount to the drawing and charity funds as herein before mentioned) every year, plus the admission fees, cost of Bond and penalty payable by the Bondholders plus the amount of instalments to be recovered from the (drawn Bondholders) loan receipients less all the working expenses of the Association shall be the net profit of the Association. The surplus amount of this net profit after allocating the profits to the Bondholders and Directors as per Articles 17 (c) and 52 and dividends to the Shareholders shall from the Reserve Fund of the Association.

89 (a) In places where the Provincial Boards are organized the accounts with the Banks in their respective Provinces shall be operated upon by means of cheques signed by the Chairman of the Provincial Board and countersigned by the -- Chief Organizer and the Chairman of the Board or the Managing Committee of Directors.

93. The Personal investment fund (that is, the principal amount of bonds to be collected from the shareholders) shall be invested entirely in the Government of Mysore or in any Indian or Foreign Government as permanent deposit at a fixed rate of interest. Until the Government or Governments begin to accept the deposits, the personal investment fund shall be invested entirely in the securities guaranteed by any of the said Governments.

"C O P y"

Registrar.

Copy of letter No.1924 dated 11th January 1927 from Mr. M. L. Nagannah, Chief Organizer, All-India Mutual Aid and Poor Houses Association, Ltd., Mysore, to the Registrar of Joint Stock Companies in Mysore, Bangalore.

In inviting your kind attention to this office No.1827 dated 18th ultimo submitting therewith a copy of the Resolutions passed by the Shareholders of the Association in their emergent meeting held on 16th idem, we regret to bring to your notice that the Directors in their meeting held on 7th instant have decided to take such legal steps as are necessary for obtaining the Business commencement certificate from you in compliance with the above said Resolution of the shareholders as you were not pleased either to issue the Business commencement certificate or give any satisfactory reply thereto not only before the end of the last month but also up to now in spite of several reminder subsequently. As the Directors think it desirable that you should be requested once more for the issue of the certificate before we take any steps, we beg to request you most humbly and respectfully that you will be pleased to kindly issue the said certificate even now without any further delay. In case we do not receive it before the 15th instant, we will be obliged to take necessary steps which kindly note.

Soliciting immediate compliance and thanking you in anticipation.

"C O P Y"

Ramaswamy
Registrar.

R NPS.

IMMEDIATE & CONFIDENTIAL.

GEN. & REV. SECRETARIAT
D 4391
20 JAN 1927
DEVELOPMENT BRANCH

D.O. No. 1026

D 4236 Secy 15/Penal: 1
G.L. Secy
Develt Sects.
4.55 PM
WP
20/1/27.

Office of the Registrar of
Joint Stock Companies in Mysore,
Bangalore, Dated 20th January 1927.

Dear Sir,

In continuation of my D. O. No.1022 dated 15th January 1927, I beg to enclose herein a copy of letter No.1947 dated 17th January 1927 received from Mr. M. L. Nagannah the Chief Organizer of All-India Mutual Aid and Poor Houses Association, Ltd., stating that the Directors are unable to await for an indefinite length of time the receipt of intimation from this office of the copies thereof having been filed etc.

Submd for perusal & orders.
(Ltr secy with compts)
For favour of early orders
CRS 20.1.27

(2) As matters stand at present it is submitted that no orders can be passed by me on the applications of Mr. Nagannah. It seems to me that it is not advisable to delay communicating final orders thereon. I therefore request the favour of immediate orders on my D. O. No.994 dated 22nd/23rd December 1926.

The file is separately submitted 10-day
CRS 20.1.27
2nd member)

931
20/1.

(3) The special circumstances of this company have necessitated my making these frequent references to Government for which I beg to apologize. They have been further necessitated by the references received from Government.

Yours sincerely,

T Ramaswamy

To

P. G. D'Souza, Esq., B.A., B.L.,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore.

Copy of letter No.1947 dated 17th January 1927 from Mr. M. L. Nagannah, Chief Organizer, The All-India Mutual Aid and Poor Houses Association, Ltd., Mysore, to the Registrar of Joint Stock Companies in Mysore, Bangalore.

Your kind letter No.1021 dated 15th instant.

In reply, we regret very much to inform you that the Directors are unable to await the receipt of your acknowledgment (for having filed our Prospectus) for an indefinite length of time as mentioned in your above letter as it is detrimental to the interest of our Association but they will be the first persons to abide by your kind instructions in case they are pointed out that either the copies of the prospectus submitted to you are not according to Law or there is any provision in the Mysore Companies Regulation that the filing of the Prospectus is at the discretion of the Registrar whether it is in order or not. The same fact has been clearly explained to your goodself in our letter No.1805 dated 6th ultimo and we are at a loss to understand why you are insisting upon us the non-publication of our -- prospectuses though they are strictly in accordance with Law.

As desired by you, we are sending herewith three Court fee stamps to the value of Rs.2/- being the balance of fee for filing the documents referred to in your above letter and request you to kindly acknowledge the receipt of the same at your earliest convenience.

Registrar.

NPS.

HR

IMMEDIATE & CONFIDENTIAL.

61

No. 1063

Cont: 1

Office of the Registrar of
Joint Stock Companies in Mysore.

Bangalore, 4th February 1927.

GEN. & REV. STAGE BRANCH
DEVELOPMENT BRANCH.

Dear Sir,

In continuation of my D. O. No. 1026 dated 20th January 1927, I beg to forward herewith a copy of letter No.1990 dated 31st January 1927 received from the Chief Organizer of the All-India Mutual Aid and Poor Houses Association, Limited, complaining against delay in granting the certificate to commence business.

(2) The applications of this company are pending for a long time and require to be brought to disposal as early as possible.

Yours sincerely,

To

N. Madhava Rao, Esq., B.A., B.L.,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore

Orders disposing of this case were issued on 5/2/27. Many thanks sent to the Govt Press.

HR. 7/2

7/2

Copy of letter No.1990 dated 31st January 1927 from the Chief Organizer, All-India Mutual Aid and Poor Houses Association, Ltd., Mysore, to the Registrar of Joint Stock Companies in Mysore, Bangalore.

In inviting your kind attention to this office No.1805 dated 6th ultimo, we are extremely sorry to observe that it is very unkind of you to have maintained perfect silence in spite of our repeated reminders in the matter of issuing the Business Commencement certificate though all the required conditions have been complied with according to Company Law for getting the said certificate from you. If there were anything which is legally or morally objectionable in our present business, you could have very easily pointed out to us as requested in our abovesaid letter so that we could rectify the same. As it will not be considered to be charitable on your part to continue this sort of silence without issuing the said certificate or definitely saying the reasons for this extra-ordinary and unusual delay, we beg to request you most humbly and respectfully that you will be pleased to issue the certificate forthwith without any further delay keeping in view the fact that by your enabling the Association commence its business, you will be doing good to the public at large and thereby partake of the benefit of the said good as the main object of the Association is to relieve the distress of the suffering humanity without undertaking any speculative business and thereby putting anybody to any loss.

Soliciting an early compliance and thanking you in anticipation,

---

"C O P Y"

Ramaswamy

Registrar.

Typed draft as revised.

3 drafts (1) 1-4 M.D 129495

Confl.

To

The Huzur Secretary

to H.H. the Maharaja of Mysore.

S i r,

I am directed to state that in the prospectus of the "All-India Mutual Aid and Poor Houses Association Ltd., Mysore," the name of one Mr. Sirasi Gurushantha Sastri is mentioned as one of the Directors of the Association, with the designation of "Palace Asthan Vidwan". I am to enquire whether there is any Pandit of this name who calls himself by the above mentioned designation on the Chamundi Thotti Baravard.

16-26-7

2-7

The gentleman is said to be residing at Old Agraharam, Mysore.

I have etc.,

Secretary to Govt.
Dev. Deptts.

KRS.

Typed draft as revised

3 drafts (2)

To

The Registrar of J. S. Cos.

J. S. 16-26-8

S. 2. 27 Signed by the Registrar

Sir,

With reference to the correspondence ending with your D.O. letter No.1026 dated the 20th January 1928 to the Chief Secretary to Government, requesting orders in the matter of granting a certificate of commencement of business to the "All-India Mutual Aid and Poor Houses Association Ltd, Mysore", I am directed to state that the certificate applied for may be issued ~~application of Mr. H. L. Narannah for grant of the said certificate may be rejected.~~

I have etc.,

31/1/27

Secretary to Govt.
Dev. Deptts.

31.1.27 KRS.

G. S. 16-26-9 71

Office of the Publicity Officer to Government.
Public Offices,

Bangalore, Dated, 5th February 1927.

PRESS COMMUNIQUE.

An association called "All-India Mutual Aid and Poor Houses Association Ltd.," has been established at Mysore, its principal organiser being one Mr.M.L.Nagannah. In the Prospectus and in the Memorandum of the said Association, certain statements are made raising an implication that Government will accept responsibility in the affairs of the Association in regard to the investment of funds, custody of securities, audit of accounts and so on. These statements are contained in paras 4 and 5 and in paras 49,71,93 and 94 of the Memorandum in pages 2 and 4 respectively of the Prospectus and there is throughout the Memorandum a general suggestion that scrutiny and supervision will be exercised by Government. These statements are calculated to create an undue sense of security in the mind of the public, resulting from an erroneous impression that the affairs of the Association will have the benefit of the supervision of Government.

2. Government hereby declare that they cannot accept a perpetual investment of funds, that they have no intention whatever of appointing a Trustee for the custody of securities and that they are not prepared to consider any application the Association may make, for the appointment of a Bond-holders' representative, or an auditor. All statements directly or indirectly conveying an impression that Government will exercise supervision over the Association with a view to safeguard the interests of shareholders or bond-holders are altogether unwarranted.

3. Government desire to bring these facts prominently to the notice of the public.

R. RANGA RAO,
Publicity Officer to Government.

An Association called "All-India Mutual Aid and Poor Houses Association Ltd has been established at Mysore, its princ: pal organisers being one Mr. M. L. Nagannal The avowed objects of the Association are to establish charitable institutions throu -out India, to raise funds, and invest them in Government Bonds or in Securities guara teed by the Government, ~~xxxxxx~~ depositing such Securities for safe custody with Offi· cial Trustees etc., and to do all such other things as are incidental or conducive to the attainment of all or any of the said objects. The capital of the Association is said to be Rs.1,00,000/- divided into 2000 shares of Rs.50/- each and power is reserved to increase the capital. The -- constitution, capital and other details re· lating to the Association are published in the Memorandum of Association. A prospect· of the Association has also been issued -· giving details regarding the authorised -· capital , the names of Directors of the Company, the objects of the Association etc

Further information regarding the Association will be furnished in the Memorandum & the Prospectus by the Promoters

2. In the prospectus and the Memorandum of the said Association, certain statements are made raising an implication that Goverr ment ~~are willing to~~ will accept responsibility i the affairs of the Association in regard to the investment of funds, custody of securi ties, audit of accounts and so on. These statements are contained in paras 4, 5, 49, 71, 93 and 94 and there is throughout the Memorandum a general suggestion that scrutir and supervision will be exercised by Governm

hese statements are calculated to
reate an undue sense of security in the
ind of the public, resulting from an -
rroneous impression that the affairs of
he Association will have the benefit of
the supervision of Government.

3. Government hereby declare (1) that
they can-not accept a perpetual investment
of funds, that they have no intention what-
ver of appointing a Trustee for the custody
of securities and that they are not prepared
to consider any application the Association
may make for the appointment of a Bond-holders'
representative, or an Auditor. All statements
directly or indirectly conveying an impres-
sion that Government will exercise supervision
over the Association with a view to safeguard
the interests of shareholders are altogether
unwarranted.

4. The public are therefore warned that
any one joining the Association will be doing
so at his own risk.

By Order,

Secretary to Govt.
Dev. Deptts.

To

TheCompiler, Mysore Gazette.

KRS.

Immediate + Confidential

GOVERNMENT OF MYSORE.

IN REPLY PLEASE REFER TO
No. 1076
ENCL. Nil

8 2 27

GEN. & REV. SECRETARIAT
4870
8 FEB. 1927
DEVELOPMENT BRANCH

Office of the Registrar of Joint Stock Companies in Mysore.

Dated, Bangalore....5-2-....1927.

FROM

B. Ramaswamaiya, Esq., B.A., B.L.,
~~XXxRxXTHYACGxRAMAxIYERkxEsqxXKx~~,
Registrar of Joint Stock Companies in Mysore.

J. S. 16-26-10

To

N. Rama Rao, Esq., B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore, Development
Departments, Bangalore.

S i r ,

With reference to your letter No.D.6295/J.S.26-8 dated 5th February 1927 stating that the certificate of commencement of business applied for by the All India Mutual Aid and Poor Houses Association, Ltd., may be granted, I have the honour to state that the said certificate can be granted only after the copy of the -- Prospectus of the said company forwarded to the Chief Secretary to Government with my D. O. No.867 dated 8th November 1926 is registered by me. I therefore request that it may kindly be returned for its being registered. 8.6-Q.

(2) I have submitted in my D. O. No.1022 dated 15th January 1927 that the Chief Organizer of the Company has sent with his letter No.1925 dated 10th/11th January 1927 an English and a Kannada copy of a revised combined Share and Bond Prospectus dated 12th January 1927, that I have to examine them and that this -- examination cannot be done without the Memorandum and Articles of Association submitted to the Second Member of Council with my D.O. No. 984 dated 22nd/23rd December 1926. I request that the said Memorandum and Articles may kindly be returned very early for the purpose of the said examination. I propose to return the copies of the combined share and Bond prospectus not only on the grounds of legal objections that may be found therein after comparing them with the Memorandum and Articles of Association but also on the

grounds of the statements that have been made regarding the investment of funds in Government etc.

I have the honour to be,

S i r ,

Your most obedient servant,

V. Ramaswamy,

R E G I S T R A R .

HR

APP. F. VI. Gl.]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *192*

Date of issue 8/2/27

Signed by T.K.V.

Copy of the Prospectus of the All India Mutual Aid & Provident Assoc^n Ltd. Mysore

Memorandum of Association, with Articles of Association.

List of enclosures.....

Copied by.....

Examined by.....

Confl

Section J.S.

File No. 16.26

Serial No. 4

No. D 6373 Cens 27

To

The Registrar of Joint Stock Cos

Sir,

I am directed to return herewith the marginally noted papers as required by you in letter no. 10760 of 5.2.1927. The receipt of the papers may kindly be acknowledged.

I have the

for Secy

over

WD 01265—GPB—31,000—24-12-25

J.S. 16-26-12

IN YOUR COMMUNICATION, PLEASE QUOTE THE NO. OF THIS LETTER

॥ ॐ ॥

Tel. Address "ASSOCIATION." Mysore

All-India Mutual Aid & Poor Houses Association, Ltd.

(INCORPORATED IN INDIA)

REGISTERED OFFICE: MYSORE (S. INDIA)

No. 2032 Enc: 1 Dated 11 FEB 1927 19

To

The Editor,
The "Evening Mail"
BANGALORE CITY.

Dear Sir,

In response to the Press Communique issued by the Publicity Officer to the Government of Mysore and published in your paper of the 9th instant concerning our Association, we beg to send herewith a rejoinder and request you to kindly publish the same in the ensuing issue of your paper.

Thanking you in anticipation,

Yours faithfully,

(sd) M.L. Nagannah,
Chief Organizer

No. 2033-35 Enc: 1 FEB. 1927

DEVELOPMENT BRANCH

Copies forwarded for information to

(1) The Chief Secretary to the Government of His Highness the Maharaja of Mysore, Bangalore.
(2) The Registrar of Joint Stock Companies in Mysore, Bangalore.
(3) The Publicity Officer to the Government of His Highness the Maharaja of Mysore, Bangalore.

12.2.27

A PREJUDICED NOTION.

With reference to the Press Communique issued by the Publicity Officer to the Government of Mysore, concerning the provisions made by the "All-India Mutual Aid & Poor Houses Association Ltd.," in its Memorandum and Articles of Association etc., for safeguarding the interests of its constituents, it is most regrettable to observe that the Government are wrong in saying that the statements (regarding the perpetual investment of its funds in the Government, the appointment of an Official Trustee to hold its Securities in safe custody and the appointment of a Bondholders' Representative and an Auditor by the Government to watch the interests of its constituents) made in the abovesaid documents of the Association are unwarranted nor are they (the Government) justified in deciding the matter without any application being made by the Association or its objections or explanations being taken owing to the fact that the Memorandum and Articles of Association as also the prospectus could not but contain all the necessary provisions which are to be given effect to after the commencement of the business of the Association and all the abovesaid provisions are worth welcoming by a Government who consider it to be their duty to safeguard the interests of their people as far as possible. As disclosed by the said Memorandum and Articles of Association as also by the prospectus, the main object of the Association is to start POOR HOUSES in all the principal towns throughout India, Burmah and Ceylon for feeding the disabled and nursing the suffering poor and the scheme devised by the Association for fulfilling its objects has been based on the soundest possible principles without there being absolutely no risk or speculation whatsoever. Notwithstanding this, it is a pity that not only the Government could not be proud of such an Institution as this in their State and render the same all possible help in consideration of the

the Association being the first of its kind either in India or elsewhere and bound to relieve the distress of the suffering humanity as a whole, but also they (the Government) could not realise that the provisions referred to above are not in any way to the advantage of the Promoters of the Association but are made for ensuring the safety of the public at large and the perpetual running of the Institution. Moreover, the Government would have been justified in issuing their communique if the abovesaid provisions had been made in the documents above referred to only for giving false impression to the public but not to give them effect to practically.

Further, either in the Memorandum or in the Articles of Association upon which the prospectus of the Association is based, it is not stated that all our funds will be invested only in the Government of Mysore but it is clearly stated therein that the funds of the Association are to be invested in the Government of Mysore or in any Indian or Foreign Government. Moreover, as provided in Article 96 of the Articles of Association, the funds to be collected by the Association in a particular Province will have to be invested in that Provincial Government itself. In case any Provincial Government cannot accept our funds as permanent deposit, the funds will be invested in the Securities guaranteed by the said Government in preference and the said Government Securities will be held by an Official Trustee to be appointed by the said Government itself. In the Provinces where the Government cannot accept funds as permanent deposit or appoint an Official Trustee, the funds of that Province will be invested in the Securities guaranteed by that Government in preference and the said Securities will be kept with the Bankers of the Association in that Province for safe custody. So, it is needless to impress upon the minds of the public that the Mysore Government is not the only Government upon which the Association entirely depends for the investment of its funds or for the appointment of an Official Trustee

Trustee but there are many other Governments both Indian and --- Foreign for the said purpose and as such the disinclination of - the Mysore Government to accept our funds as permanent deposit - or to appoint an Official Trustee, will not prevent the Associa- tion from investing its funds in the Securities guaranteed by -- the Government of Mysore as also by other Governments or having the said Securities held by an Official Trustee appointed by any Indian or Foreign Government. The public should therefore --- please note that the funds of the Association will be invariably invested in any other Government or Governments or in the Secu-- rities guaranteed by the said Governments entirely and permanent ly and the Securities to be held by the Association will be kept with its Bankers for safe custody until an Official Trustee or - rustees are appointed by any other Government or Governments for holding the said Securities in the safe custody.

Generally, in all Joint Stock Companies, the Directors and Auditors will be elected only by the Shareholders but in -- his Association, in order to safeguard the interests of the -- Bondholders a provision has been made for the appointment of a Bondholders' Representative and an Auditor by either the Govern- ment of Mysore or that of India. In case the Government of - Mysore is not inclined to appoint them, the Association will -- pply to the Government of India for the said appointments soon ter there will be 2,000 Bondholders as per rules. If even - e Government of India cannot find its way to make the said -- pointments, the Bondholders alone will be authorized to make e said appointments themselves.

In conclusion, the public are requested to specially - e that the promoters of the Association are men who believe - the existance of GOD and also have practically realized that esty and Truth will always triumph over sooner or later and - sequently the abovesaid provisions have been made with an --- ect of making the Association everlasting one but not for ---

for defrauding anybody. It is therefore hoped that in the --- light of the above explanation, the Government will be pleased to reconsider over the matter and give this indigenous concern their moral support which it richly deserves in the interest of the suffering humanity at least.

For The All-India Mutual Aid & Poor Houses Association Ltd.

M Y S O R E,

Dated 12th February 1927.

M. L. Nagannah

Chief Organizer.

IN YOUR COMMUNICATION, PLEASE QUOTE THE NO. OF THIS LETTER

॥ ॐ ॥

Tel. Address: "ASSOCIATION." Mysore

All-India Mutual Aid & Poor Houses Association, Ltd.

(INCORPORATED IN INDIA)

REGISTERED OFFICE: MYSORE (S. INDIA)

No. 2032 Exec: I Dated 11 FEB 1927 192

To

The Editor,
The "Evening Mail"
BANGALORE CITY.

D. 5 10/ 16-26-12

Dear Sir,

In response to the Press Communique issued by the Publicity Officer to the Government of Mysore and published in your paper of the 9th instant concerning our Association, we beg to send herewith a rejoinder and request you to kindly publish the same in the ensuing issue of your paper.

Thanking you in anticipation,

Yours faithfully,

(sd) M.L. Nagannah,
Chief Organizer.

No. 2033-35 Exec: I

Copies forwarded for information to

(1) The Chief Secretary to the Government of His Highness the Maharaja of Mysore, Bangalore.
(2) The Registrar of Joint Stock Companies in Mysore, Bangalore.
(3) The Publicity Officer to the Government of His Highness the Maharaja of Mysore, Bangalore.

Dev. seen with Compts

15/2

12.2.1927

15/2/27

15/-

A PREJUDICED NOTION.

With reference to the Press Communique issued by the -- Publicity Officer to the Government of Mysore, concerning the -- provisions made by the "All-India Mutual Aid & Poor Houses ---- Association Ltd.," in its Memorandum and Articles of Associatio etc., for safeguarding the interests of its constituents, it i most regrettable to observe that the Government are wrong in -- saying that the statements (regarding the perpetual investment . of its funds in the Government, the appointment of an Official . Trustee to hold its Securities in safe custody and the appoint-. ment of a Bondholders' Representative and an Auditor by the --- Government to watch the interests of its constituents) made in . the abovesaid documents of the Association are unwarranted nor . are they (the Government) justified in deciding the matter with. ut any application being made by the Association or its objec-- ions or explanations being taken owing to the fact that the --- emorandum and Articles of Association as also the prospectus -- ould not but contain all the necessary provisions which are to e given effect to after the commencement of the business of the ssociation and all the abovesaid provisions are worth welcoming r a Government who consider it to be their duty to safeguard -- he interests of their people as far as possible. As disclosed r the said Memorandum and Articles of Association as also by -- le prospectus, the main object of the Association is to start - OR HOUSES in all the principal towns throughout India, Burmah d Ceylon for feeding the disabled and nursing the suffering -- or and the scheme devised by the Association for fulfilling -- s objects has been based on the soundest possible principles - thout there being absolutely no risk or speculation whatsoever. withstanding this, it is a pity that not only the Government ld not be proud of such an Institution as this in their State render the same all possible help in consider-

the Association being the first of its kind either in India or elsewhere and bound to relieve the distress of the suffering humanity as a whole, but also they (the Government) could not realise that the provisions referred to above are not in any way to the advantage of the Promoters of the Association but are made for ensuring the safety of the public at large and the perpetual running of the Institution. Moreover, the Government would have been justified in issuing their communique if the abovesaid provisions had been made in the documents above referred to only for giving false impression to the public but not to give them effect to practically.

Further, either in the Memorandum or in the Articles of Association upon which the prospectus of the Association is based, it is not stated that all our funds will be invested only in the Government of Mysore but it is clearly stated therein that the funds of the Association are to be invested in the Government of Mysore or in any Indian or Foreign Government. Moreover, as provided in Article 96 of the Articles of Association, the funds to be collected by the Association in a particular Province will have to be invested in that Provincial Government itself. In case any Provincial Government cannot accept our funds as permanent deposit, the funds will be invested in the Securities guaranteed by the said Government in preference and the said Government Securities will be held by an Official Trustee to be appointed by the said Government itself. In the Provinces where the Government cannot accept funds as permanent deposit or appoint an Official Trustee, the funds of that Province will be invested in the Securities guaranteed by that Government in preference and the said Securities will be kept with the Bankers of the Association in that Province for safe custody. So, it is needless to impress upon the minds of the public that the Mysore Government is not the only Government upon which the Association entirely depends for the investment of its funds or for the appointment of an Official Trustee

Trustee but there are many other Governments both Indian and --- Foreign for the said purpose and as such the disinclination of - the Mysore Government to accept our funds as permanent deposit - or to appoint an Official Trustee, will not prevent the Association from investing its funds in the Securities guaranteed by -- the Government of Mysore as also by other Governments or having the said Securities held by an Official Trustee appointed by any Indian or Foreign Government. The public should therefore ---- please note that the funds of the Association will be invariably invested in any other Government or Governments or in the Securities guaranteed by the said Governments entirely and permanently and the Securities to be held by the Association will be kept with its Bankers for safe custody until an Official Trustee or - rustees are appointed by any other Government or Governments for holding the said Securities in the safe custody.

Generally, in all Joint Stock Companies, the Directors and Auditors will be elected only by the Shareholders but in -- this Association, in order to safeguard the interests of the -- Bondholders a provision has been made for the appointment of a Bondholders' Representative and an Auditor by either the Government of Mysore or that of India. In case the Government of Mysore is not inclined to appoint them, the Association will -- apply to the Government of India for the said appointments soon after there will be 3,000 Bondholders as per rules. If even - the Government of India cannot find its way to make the said -- appointments, the Bondholders alone will be authorized to make the said appointments themselves.

In conclusion, the public are requested to specially - note that the promoters of the Association are men who believe - in the existance of GOD and also have practically realized that Honesty and Truth will always triumph over sooner or later and - consequently the abovesaid provisions have been made with an --- object of making the Association everlasting one but not for ---

for defrauding anybody. It is therefore hoped that in the --- light of the above explanation, the Government will be pleased to reconsider over the matter and give this indigenous concern their moral support which it richly deserves in the interest of the suffering humanity at least.

For The All-India Mutual Aid & Poor Houses Association Ltd.

M. L. Nagarajah

Chief Organizer.

M Y S O R E,

Dated 12th February 1927.

GOVERNMENT OF MYSORE.

J. S. 16 - 26 - 13.

IN REPLY PLEASE REFER TO
NO. 1091
ENCL.

Office of the Registrar of Joint Stock Companies
in Mysore.

Dated, Bangalore 16-2-1927.

FROM

B. Ramaswamaiya, Esq., B.A., B.L.,
~~V. RAMASWAMA IYER, Esq., M.A.,~~
Registrar of Joint Stock Companies in Mysore.

5135-11

To

N. Rama Rao, Esq., B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore, Development Departments,
Bangalore.

S i r ,

I have the honour to acknowledge, with thanks, the receipt of the Memorandum of Association with Articles of Association and the Prospectus of All-India Mutual Aid and Poor Houses Association, Limited, forwarded by you with your letter No.D.6373/J.S. 16-26-4 dated 8th February 1927.

I have the honour to be,

S i r

Your most obedient servant

Assistant Commissioner,
for Registrar absent from Head
quarters.

NPS.

Subd. for perusal.

17.2.27.

No. 2990 5257

88

The Palace, Mysore.

21st February 1927.

J. S. 16-26-14

THE HUZUR SECRETARY

TO HIS HIGHNESS THE MAHARAJA OF MYSORE.

The Secretary to the Government of Mysore,

Development Department, B a n g a l o r e.

Sir,

Adverting to your No.D6294 dated 5-2-27, I have the honor to state that Mr. Sirasi Gurusantha Sastry referred to therein is a "Sadharana Vidwan" in the Palace Chàmundy Thotty Department.

I have the honor to be,

Sir,

Your most obedient servant,

For Huzur Secretary.

Sub^{d} for perusal. This gentleman is one of the Directors of M^{s} M.L. Nayamma's new concern.

Sec^{y} D)

2d member KS.

(Refer. para 8 page 26)

23/2

23 2 27

24-2-27

I think we have no objection to grant this.

24/2

25.2.27

2d member)

26 2 27

26/2

1-3-27

1/3

1 3 27

OFFICE OF THE SECOND MEMBER OF COUNCIL. 23 FEB. 1927 No. 5748

DEWAN'S OFFICE. Received on 25. FEB. 1927 Reg No. 6276.

GEN. & REV. SECRETARIAT. 25 FEB. '27 DEVELOPMENT BRANCH

GOVERNMENT OF MYSORE

OFFICE OF THE SECOND MEMBER OF COUNCIL. 28 FEB. 1927 No. 5841

GEN. & REV. SECRETARIAT. DEVELOPMENT BRANCH